A bill to be entitled lating to gaming; amending s.

An act relating to gaming; amending s. 285.710, F.S.; ratifying and approving the Gaming Compact between the Seminole Tribe of Florida and the State of Florida provided certain conditions are met; superseding a prior compact; directing the Governor to cooperate with the Tribe in seeking approval of the compact from the United States Secretary of the Interior; expanding the games authorized to be conducted and the counties in which such games may be offered; providing for a portion of the amount paid by the Tribe to the state to be designated as the thoroughbred purse pool share; directing the state compliance agency to determine calculations for the thoroughbred purse pool share distributions; amending s. 285.712, F.S.; correcting a citation; creating s. 546.11, F.S.; providing a short title; creating s. 546.12, F.S.; providing legislative findings and intent; creating s. 546.13, F.S.; providing definitions; creating s. 546.14, F.S.; requiring contest operators to obtain licenses from the Division of Regulation of the Department of Business and Professional Regulation to conduct fantasy contests in the state; providing an application fee and annual license renewal fees; providing application requirements; requiring the division to approve or deny a license within a

Page 1 of 122

PCS for HB 7109

1

2

3

4

5

6

7

8

9

10

11

1213

14

15

16

17

18

19

20

2.1

22

23

24

25

26

specified timeframe; providing that a complete application is deemed approved under certain circumstances; providing that persons or entities are not eligible for licensure under certain circumstances; requiring a contest operator to provide evidence of a surety bond; requiring the surety bond to be kept during the term of the license and any renewal term thereafter; creating s. 546.15, F.S.; requiring contest operators to implement certain procedures; requiring contest operators to contract for independent audits and to annually submit the results to the division; requiring contest operators to coordinate with a compulsive or addictive behavior prevention program and provide training to employees; requiring the division to contract for services related to the prevention of compulsive or addictive behavior; creating s. 546.16, F.S.; authorizing the division to adopt rules and perform certain duties; authorizing the division to suspend, revoke, or deny a license for certain violations; creating s. 546.17, F.S.; requiring contest operators to keep and maintain daily records and to make such records available for inspection; requiring contest operators to file a quarterly report; creating s. 546.18, F.S.; providing penalties; authorizing the division or the Department of Legal Affairs to bring certain civil actions;

Page 2 of 122

PCS for HB 7109

27

28

29

30

31

32

33

34

35

36

37

3839

40

41

42

43

44

45

46

47

48

49

50

51

52

creating s. 546.19, F.S.; providing that specified provisions of chapter 849, F.S., relating to gambling offenses, do not apply to fantasy contest operators complying with certain requirements or to noncommercial contest operators; prohibiting the Division of Regulation form penalizing an unlicensed contest operator for a specified period of time; amending s. 550.002, F.S.; revising the definition of the term "full schedule of live racing or games"; providing definitions for purposes of the Florida Pari-mutuel Wagering Act; amending s. 550.01215, F.S.; revising provisions for applications for pari-mutuel operating licenses; authorizing a greyhound racing permitholder to specify certain information on its application; authorizing a greyhound racing permitholder to receive an operating license to conduct pari-mutuel wagering activities at another permitholder's greyhound racing facility; authorizing the Division of Pari-mutuel Wagering of the Department of Business and Professional Regulation to approve changes in racing dates for greyhound racing permitholders under certain circumstances; exempting certain permitholders from specified live racing requirements; providing requirements for licensure of certain jai alai permitholders; deleting a provision for conversion of certain converted permits to jai

Page 3 of 122

PCS for HB 7109

53

54

55

56

57

58

59

60

61

62

63

64

65

66 67

68 69

70

71

72

7.3

74

75

76

77

78

alai permits; authorizing certain thoroughbred racing permitholders to apply to conduct live performances under certain conditions; amending s. 550.0251, F.S.; requiring the division to annually report to the Governor and the Legislature; specifying requirements for the content of the report; amending s. 550.054, F.S.; requiring the division to revoke a pari-mutuel wagering operating permit under certain circumstances; prohibiting issuance or approval of new pari-mutuel permits after a specified date; providing exceptions; authorizing a permitholder to apply to the division to place a permit in inactive status; revising provisions that prohibit transfer or assignment of a pari-mutuel permit; prohibiting transfer or assignment of a parimutuel permit or license under certain conditions; prohibiting relocation of a pari-mutuel facility, cardroom, or slot machine facility or conversion of pari-mutuel permits to a different class; providing for an exception; deleting provisions for certain converted permits; amending s. 550.0555, F.S.; revising provisions for the relocation of certain jai alai and greyhound racing permits; repealing s. 550.0745, F.S., relating to the conversion of parimutuel permits to summer jai alai permits; amending s. 550.0951, F.S.; deleting provisions for specified tax credits for a greyhound racing permitholder; revising

Page 4 of 122

PCS for HB 7109

79

80

81

82

83

84

85

86

87

88

89

90 91

92

93

9495

96

97

98

99

100

101

102

103

104

the tax on handle for live greyhound racing and intertrack wagering if the host track is a greyhound track; amending s. 550.09512, F.S.; providing for the revocation of certain harness horse racing permits; specifying that a revoked permit may not be reissued; amending s. 550.09514, F.S.; deleting certain provisions that prohibit tax on handle until a specified amount of tax savings have resulted; revising purse requirements of a greyhound racing permitholder that conducts live racing; amending s. 550.09515, F.S.; providing for the revocation of certain thoroughbred racing permits; specifying that a revoked permit may not be reissued; removing an obsolete provision; amending s. 550.105, F.S.; providing for business, professional, and general occupational licenses for multijurisdictional simulcasting and interactive wagering totalisator hubs; amending s. 550.1625, F.S.; deleting the requirement that a greyhound racing permitholder pay the breaks tax; repealing s. 550.1647, F.S., relating to unclaimed tickets and breaks held by greyhound racing permitholders; amending s. 550.1648, F.S.; revising requirements for a greyhound racing permitholder to provide a greyhound adoption booth at its facility; requiring sterilization of greyhounds before adoption; authorizing the fee for such

Page 5 of 122

PCS for HB 7109

105

106

107

108109

110

111

112

113

114

115

116117

118

119

120

121

122

123

124

125

126

127

128

129

130

sterilization to be included in the cost of adoption; defining the term "bona fide organization that promotes or encourages the adoption of greyhounds"; creating 550.1752, F.S.; providing for a thoroughbred purse supplement program in the division; providing for funding and distribution of such funds; authorizing the division to adopt rules; creating s. 550.2416, F.S.; requiring injuries to racing greyhounds to be reported within a certain timeframe on a form adopted by the division; requiring such form to be completed and signed under oath or affirmation by certain individuals; providing penalties; specifying information that must be included in the form; requiring the division to maintain the forms as public records for a specified time; specifying disciplinary action that may be taken against a licensee of the Department of Business and Professional Regulation who fails to report an injury or who makes false statements on an injury form; exempting injuries to certain animals from reporting requirements; requiring the division to adopt rules; amending s. 550.26165, F.S.; conforming a crossreference; amending s. 550.334, F.S.; revising a requirement for quarter horse racing permitholders to conduct intertrack wagering; amending s. 550.3345, F.S.; revising provisions for a permit previously

Page 6 of 122

PCS for HB 7109

131

132

133

134

135

136

137

138

139

140

141

142143

144

145

146

147

148

149

150

151

152

153

154

155

156

converted from a quarter horse racing permit to a limited thoroughbred racing permit; amending s. 550.3551, F.S.; revising conditions for receiving and accepting wagers on out-of-state broadcasts of races and games; deleting a requirement that a harness permitholder conduct a certain number of races; deleting a provision that limits the number of out-ofstate races on which wagers are accepted by a greyhound racing permitholder; amending s. 550.5251, F.S.; revising the period within which a thoroughbred racing permitholder must file its application to conduct thoroughbred racing meetings; amending s. 550.615, F.S.; revising requirements for conducting intertrack wagering; amending s. 550.6305, F.S.; revising provisions requiring certain simulcast signals be made available to certain permitholders; providing for certain permitholders of a converted permit to accept wagers on certain rebroadcasts; amending s. 550.6308, F.S.; revising conditions for a person licensed to conduct public sales of thoroughbred horses to obtain a limited intertrack wagering license; revising provisions for such wagering; creating s. 550.6347, F.S.; directing the division to develop and adopt rules to license and regulate multijurisdictional simulcasting and interactive wagering totalisator hubs; providing

Page 7 of 122

PCS for HB 7109

157

158

159

160

161

162

163

164

165

166

167

168

169

170

171

172

173

174

175

176

177

178

179

180

181

182

definitions; providing requirements for operation of such hubs; providing for fees and taxes; providing for application of specified provisions; amending s. 551.101, F.S.; revising provisions that authorize slot machine gaming at certain facilities; amending s. 551.102, F.S.; revising the definition of the terms "eligible facility," "slot machine license," and "slot machine licensee" for purposes of provisions relating to slot machines; prohibiting locating eligible facilities in certain areas; amending s. 551.104, F.S.; revising provisions for approval of a license to conduct slot machine gaming; specifying that certain permitholders are not required to conduct a full schedule of live racing to receive and maintain a license to conduct slot machine gaming; conforming provisions relating to payment of purses; creating s. 551.1041, F.S.; authorizing the division to grant one additional slot machine license to a facility in a specified county; providing for award of such license if more than one permitholder applies; providing procedures; authorizing the division to adopt emergency rules; creating s. 551.1044, F.S.; providing for certain pari-mutuel facilities to operate housebanked blackjack table games; providing a tax; providing for application of specified provisions; amending s. 551.106, F.S.; revising the tax rate on

Page 8 of 122

PCS for HB 7109

183

184

185

186

187

188

189

190

191

192

193

194

195

196

197

198

199200

201

202

203

204

205

206

207

208

slot machine revenues; requiring a new facility quarantee fee to be paid by certain slot machine facilities; providing for calculation of the fee; amending s. 551.114, F.S.; revising the maximum number of slot machines that may be available; limiting the number of slot machines available for play at certain facilities; revising requirements for designated slot machine gaming areas; requiring certain greyhound racing permitholders to locate their slot machine gaming area in certain locations; amending s. 551.116, F.S.; revising the times that a slot machine gaming area may be open; amending s. 551.121, F.S.; removing a provision that prohibits complimentary or reducedcost alcoholic beverages to be served to persons playing slot machines; removing a provision that prohibits automatic teller machines in the gaming area; amending s. 849.086, F.S.; revising definitions; defining the terms "designated player" and "designated player poker game"; exempting certain permitholders from a requirement that they conduct a minimum number of live races as a condition of cardroom licensure under certain conditions; requiring certain greyhound racing permitholders to conduct intertrack wagering on thoroughbred signals as a condition of cardroom licensure; revising times that a cardroom may operate; providing for the division to authorize designated

Page 9 of 122

PCS for HB 7109

209

210

211

212

213

214

215

216

217

218

219

220

221

222

223

224

225

226

227

228

229

230

231

232

233

234

player poker games in certain cardrooms; providing requirements for such games; providing that such games may be authorized by the division only if they would not trigger a reduction in certain payments; revising provisions for use of cardroom receipts; requiring permitholders not conducting a full schedule of live racing or games to pay a portion of its cardroom receipts to the thoroughbred purse supplement program; removing a provision requiring an agreement between a permitholder and a horseracing association; directing the division to revoke certain pari-mutuel permits; specifying that the revoked permits may not be reissued; providing severability; providing an appropriation; providing contingent effective dates.

Be It Enacted by the Legislature of the State of Florida:

- Section 1. Paragraph (a) of subsection (1) and subsections (3), (9), and (13) of section 285.710, Florida Statutes, are amended, and subsection (15) is added to that section, to read:
 - 285.710 Compact authorization.-
 - (1) As used in this section, the term:
- (a) "Compact" means the Gaming Compact between the Seminole Tribe of Florida and the State of Florida, executed on April 7, 2010.
 - (3) (a) A The Gaming Compact between the Seminole Tribe of

Page 10 of 122

PCS for HB 7109

Florida and the State of Florida, executed by the Governor and the Tribe on April 7, 2010, was is ratified and approved by chapter 2010-29, Laws of Florida. The Governor shall cooperate with the Tribe in seeking approval of the compact from the United States Secretary of the Interior.

- (b) The Gaming Compact between the Seminole Tribe of
 Florida and the State of Florida, which was executed by the
 Governor and the Tribe on December 7, 2015, shall be deemed
 ratified and approved if it is amended by an agreement between
 the Governor and the Tribe to incorporate the terms specified in
 paragraphs (c), (d), (e), (f), and (g). The amended Gaming
 Compact supersedes the Gaming Compact ratified and approved
 under paragraph (a). The Governor shall cooperate with the Tribe
 in seeking approval of the amended Gaming Compact from the
 United States Secretary of the Interior.
- (c) The December 7, 2015, Gaming Compact shall become effective after it is approved as a tribal-state compact within the meaning of the Indian Gaming Regulatory Act by action of the United States Secretary of the Interior or by operation of law under 25 U.S.C. s. 2710(d)(8), and upon publication of a notice of approval in the Federal Register under 25 U.S.C. s. 2710(d)(8)(D).
- (d) The December 7, 2015, Gaming Compact must be amended to include provisions that all amendments made to chapters 285, 546, 550, 551, and 849 by this act are authorized under the Gaming Compact and do not impact the agreement's revenue sharing

Page 11 of 122

PCS for HB 7109

payments, violate the Tribe's exclusivity, or authorize the
Tribe to conduct online gaming.

- (e) The December 7, 2015, Gaming Compact must be amended to include provisions that the State of Florida shall grant to the Tribe the exclusive rights to:
- 1. Operate slot machines in Glades, Hendry, and Collier

 Counties and within that area of the state located within a 100mile radius of the Seminole Hard Rock Hotel and Casino-Tampa;
- 2. Operate banking or banked card games, including blackjack or 21, baccarat and chemin de fer in Glades, Hendry, Collier, and Hillsborough Counties; and
- 3. Operate dice games, such as craps and sic-bo, and wheel games, such as roulette and big six, in Broward, Glades, Hendry, Collier, and Hillsborough Counties.
- (f) The December 7, 2015, Gaming Compact must be amended to include provisions that, the State of Florida agrees that:
- 1. It will not approve any new pari-mutuel permits after the effective date of the amended Gaming Compact;
- 2. It will not approve any card game for play at parimutuel cardrooms not found in Hoyle's Modern Encyclopedia of Card Games, 1974 Edition;
- 3. The maximum cumulative number of slot machines available for play at pari-mutuel facilities located outside of the concession radius established in sub-paragraph (d)1. will not exceed a maximum of 16,000, and a pari-mutuel permitholder licensed to operate slot machines after the effective date of

Page 12 of 122

PCS for HB 7109

289

290

291

292

293

294

295

296

297

298

299

300

301

302

303

304

305

306

307

308

309

310

311

312

this act may not be licensed to operate more than 1,500 slot machines; and

- 4. A pari-mutuel facility may not operate slot machines unless it is located outside of the area specified in subparagraph (d)1. and has conducted a successful slot machine referendum before or within 180 days after the effective date of this act.
- (g) The December 7, 2015, Gaming Compact must be amended to state that relocation of a facility from one parcel of current Indian lands to any other noncontiguous parcel of Indian lands shall not be authorized. Any facility existing on Indian lands may only be relocated within a 1-mile radius on the same parcel of Indian lands on which it is currently located.

 Expansion or replacement of a facility on the same parcel of Indian lands on which it currently exists may be authorized.
- (9) The moneys paid by the Tribe to the state for the benefit of exclusivity under the compact ratified by this section shall be deposited into the General Revenue Fund.
- (a) Three percent of the <u>annual</u> amount paid by the Tribe to the state shall be designated as the local government share and shall be distributed as provided in subsections (10) and (11).
- (b) Ten million dollars of the annual amount paid by the Tribe to the state shall be designated as the thoroughbred purse pool share and shall be distributed as provided in subsection (15).

Page 13 of 122

PCS for HB 7109

- (11) Upon receipt of the annual audited revenue figures from the Tribe and completion of the calculations as provided in subsections (10) and (15) subsection (10), the state compliance agency shall certify the results to the Chief Financial Officer and shall request the distributions to be paid from the General Revenue Fund within 30 days after authorization of nonoperating budget authority pursuant to s. 216.181(12).
- (13) For the purpose of satisfying the requirement in 25 U.S.C. s. 2710(d)(1)(B) that the gaming activities authorized under an Indian gaming compact must be permitted in the state for any purpose by any person, organization, or entity, the following class III games or other games specified in this section are hereby authorized to be conducted by the Tribe pursuant to the compact:
 - (a) Slot machines, as defined in s. 551.102(8).
- (b) Banking or banked card games, including baccarat, chemin de fer, and blackjack or 21 at the tribal facilities in Broward County, Collier County, and Hillsborough County.
 - (c) Dice games, such as craps and sic-bo.
 - (d) Wheel games, such as roulette and big six.
 - (e) (c) Raffles and drawings.
- determine the thoroughbred purse pool share distributions shall be made by the state compliance agency. The thoroughbred purse pool share shall be distributed equally to any thoroughbred racing permitholder that has conducted a full schedule of live

Page 14 of 122

PCS for HB 7109

races for 15 consecutive years after June 31, 2000, has never operated at a facility in which slot machines are located, has never held a slot machine license, and is located in a county in which class III gaming is conducted on Indian lands, as long as the thoroughbred racing permitholder uses the allocation for thoroughbred racing purses and the operations of the permitholder's thoroughbred racing facility, with at least 75 percent allocated to thoroughbred racing purses.

Section 2. Subsection (4) of section 285.712, Florida Statutes, is amended to read:

285.712 Tribal-state gaming compacts.-

(4) Upon receipt of an act ratifying a tribal-state compact, the Secretary of State shall forward a copy of the executed compact and the ratifying act to the United States Secretary of the Interior for his or her review and approval, in accordance with 25 U.S.C. s. 2710(d)(8) 2710(8)(d).

Section 3. Section 546.11, Florida Statutes, is created to read:

546.11 Short title.—Sections 546.11-546.19 may be cited as the "Fantasy Contest Amusement Act."

Section 4. Section 546.12, Florida Statutes, is created to read:

546.12 Legislative findings and intent.—It is the intent of the Legislature to ensure public confidence in the integrity of fantasy contests and fantasy contest operators. This act is designed to regulate fantasy contest operators and persons who

Page 15 of 122

PCS for HB 7109

participate in fantasy contests and to adopt consumer protections related to such contests. The Legislature finds that fantasy contests, as defined in s. 546.13, involve the skill of contest participants and do not constitute gambling, gaming, or games of chance.

Section 5. Section 546.13, Florida Statutes, is created to read:

- 546.13 Definitions.—As used in ss. 546.11-546.19, the term:
- (1) "Confidential information" means information related to participation in fantasy contests by contest participants which is obtained solely as a result of a person's employment with or work as an agent of a contest operator.
- (2) "Contest operator" means a person or entity other than a noncommercial contest operator that offers fantasy contests that require an entry fee for a cash prize to members of the public. Sections 546.11-546.19 apply solely to the specific products, services, or offerings of a person or entity that cause that person or entity to meet the definition of "contest operator" and do not extend to any other product or service offered by that person or entity.
- (3) "Contest participant" means a person who pays an entry fee for the right to participate in a fantasy contest offered by a contest operator.
- (4) "Division" means the Division of Regulation within the Department of Business and Professional Regulation.

Page 16 of 122

PCS for HB 7109

		(5)	"En	try	fee"	means	s th	ne ca	ısh	or	cash	equi	ivalent	re	equirec
to	be	paid	l by	a c	contes	st par	tic	cipar	ıt t	TO 8	a cont	test	operato	or	for
the	ri	ight	to j	part	cicipa	ate ir	ı a	fant	casy	y C	ontest	.			

- (6) "Fantasy contest" means a fantasy or simulation game or contest in which a contest participant manages a fantasy or simulated sports team consisting of athletes or players who are members of an amateur or professional sports organization and which meets the following conditions:
- (a) All prizes offered to winning contest participants are established and made known to the contest participants in advance of the fantasy contest, and the value of such prizes is not determined by the number of contest participants or the amount of entry fees paid by such participants.
- (b) All winning outcomes reflect the relative knowledge and skill of contest participants and are determined predominantly by accumulated statistical results of the performance of the athletes participating in multiple real-world sporting or other events. A winning outcome may not be based:
- 1. On the score, point spread, or performance of a single real-world team or combination of such teams; or
- 2. Solely on the single performance of an individual athlete in a single real-world sporting or other event.
- (c) Fantasy contests may not be based on the results of college or high school sports teams, athletes, or players.
- (d) Membership of a fantasy or simulation sports team may not be based on the current membership, or a majority of

Page 17 of 122

PCS for HB 7109

membership, of an actual team that is a member of a professional sports organization.

- (7) "Net revenues" means an amount equal to the total entry fees collected from contest participants in this state by a contest operator during a 12-month period, less the total amount of cash or cash equivalent paid to contest participants in this state during the same period.
- (8) "Noncommercial contest operator" means a person who organizes and conducts a fantasy contest, or an entity who makes available a fantasy contest software platform, whereby participants may be charged fees for the right to participate; the fees are collected, maintained, and distributed by the same person; and all fees are returned to the participants in the form of prizes or other equivalent.

Section 6. Section 546.14, Florida Statutes, is created to read:

546.14 Licensing.-

- (1) A contest operator offering fantasy contests with an entry fee to persons in this state must complete and submit an application to the division for a license to conduct such fantasy contests.
- (2) (a) At the time of initial application for license, the contest operator shall provide the division with an estimate of the application fee calculated pursuant to paragraph (b), in addition to written evidence supporting the estimate, and shall pay the estimated fee to the division. A license may not be

Page 18 of 122

PCS for HB 7109

issued unless the application fee is paid.

- (b) The application fee shall be the lesser of:
- 1. Five hundred thousand dollars; or
- 2. Ten percent of the contest operator's estimated net revenues for 12 months after the date the license is issued.
- (3) (a) At the time of application for the annual renewal of a license, the contest operator shall provide the division with evidence of the actual net revenues collected during the previous licensure period, an estimate of the license renewal fee calculated pursuant to paragraph (b), and written evidence supporting the estimate. The contest operator shall pay to the division an amount equal to the difference between the actual application fee or renewal fee for the previous licensure period and the estimated application fee paid at the time of the previous application, plus the estimated license renewal fee for the upcoming licensure period. A license may not be renewed unless the application fee is paid.
 - (b) The annual license renewal fee shall be the lesser of:
 - 1. One hundred thousand dollars; or
- 2. Ten percent of the contest operator's estimated net revenues for 12 months after the date the license is renewed.
- (4) An application for a contest operator's license is exempt from the 90-day licensing requirement of s. 120.60.

 Within 120 days after receipt of a complete application, the division shall approve or deny the license. A complete application that is not acted upon within 120 days after receipt

Page 19 of 122

PCS for HB 7109

495	is	deemed	approved,	and	the	division	shall	issue	the	license.
-----	----	--------	-----------	-----	-----	----------	-------	-------	-----	----------

- (5) An application for a contest operator's license must include:
 - (a) The full name of the applicant.
- (b) If the applicant is a corporation, the name of the state in which it is incorporated and the names and addresses of the officers, directors, and shareholders of the corporation who hold 5 percent or more equity in the corporation. If the applicant is a business entity other than a corporation, the names and addresses of the principals, partners, or shareholders who hold 5 percent or more equity in the entity.
- (c) If the applicant is a corporation or other business entity, the names and addresses of the ultimate equitable owners of the corporation or entity, if different from those provided under paragraph (b), unless the securities of the corporation or entity are registered pursuant to s. 12 of the Securities

 Exchange Act of 1934, 15 U.S.C. ss. 78a-78kk, and:
- 1. The corporation or entity files the reports required by s. 13 of such federal act with the United States Securities and Exchange Commission; or
- 2. The securities of the corporation or entity are regularly traded on an established securities market in the United States.
- (d) The estimated number of fantasy contests that the applicant will annually conduct.
 - (e) A statement of the applicant's assets and liabilities.

Page 20 of 122

PCS for HB 7109

496

497498

499

500

501

502

503

504

505

506

507

508509

510

511512

513

514

515

516

517

518

519

520

- (f) If applicable and required by the division, the names and addresses of the officers and directors of any debtor of the applicant and the names and addresses of any stockholder who holds more than 10 percent of the stock of the debtor.
- (g) For each person listed in the application as an officer or director, a complete set of fingerprints taken by an authorized law enforcement officer. Such fingerprints must be submitted to the Federal Bureau of Investigation for processing. Foreign nationals shall submit such documents as necessary to allow the division to conduct criminal history records checks in the person's home country. The applicant must pay all costs of fingerprint processing, and the division may charge a \$2 handling fee for each set of fingerprints.
- (6) A person, corporation, or entity is not eligible for a contest operator's license or the renewal of such license if the person or an officer or a director of the corporation or entity has been convicted of a felony in this state, a felony in another state which would be a felony if committed in this state, or a felony under the laws of the United States, or has been determined by the division after investigation not to be of good moral character. For purposes of this subsection, the term "convicted" means having been found guilty, regardless of adjudication of guilt, as a result of a jury verdict, nonjury trial, or entry of a plea of guilty or nolo contendere.
- (7) An applicant for a contest operator's license shall provide evidence of a surety bond in the amount of \$1 million,

Page 21 of 122

PCS for HB 7109

payable to the state, furnished by a corporate surety authorized to do business in the state in such a form as established by division rule. Such bond shall be kept in full force and effect by the contest operator during the term of the license and any renewal thereof.

Section 7. Section 546.15, Florida Statutes, is created to read:

546.15 Consumer protection.—

- (1) A contest operator that charges an entry fee to contest participants shall implement commercially reasonable procedures for its fantasy contests with an entry fee that are intended to:
- (a) Prevent an employee of the contest operator and relatives of such employee residing in the same household as the employee from participating in a fantasy contest which is open to the public.
- (b) Prohibit the contest operator from participating as a contest participant in a fantasy contest offered by the contest operator.
- (c) Prevent an employee or agent of the contest operator from sharing confidential information with third parties which could affect fantasy contests until the information is made publicly available.
- (d) Verify that each contest participant is 18 years of age or older.
 - (e) Restrict a person who is a player, game official, or

Page 22 of 122

PCS for HB 7109

547

548

549

550

551

552

553

554

555

556

557

558

559

560

561

562

563

564

565

566

567

568

569

570

571

572

other participant in a real-world sporting or other event from participating in a fantasy contest that is determined in whole or in part on the person's performance, the performance of the person's real-world team, or the accumulated statistical results of the real-world sporting or other event in which the person is a player, game official, or other participant.

- (f) Allow a person to restrict or prevent his or her own access to a fantasy contest and take reasonable steps to prevent himself or herself from entering a fantasy contest.
- (g) Disclose the number of entries that a single contest participant may submit to each fantasy contest and take reasonable steps to prevent contest participants from submitting more than the allowable number of entries.
- (h) Segregate contest participants' funds from operational funds and maintain a reserve in the form of cash or cash equivalent, an irrevocable letter of credit, a bond, or a combination thereof, in the total amount of the deposits in contest participants' accounts, for the benefit and protection of authorized contest participants' funds held in the contest participants' accounts.
 - (i) Prevent fantasy contests involving horseracing.
- (2) For fantasy contests requiring an entry fee, a contest operator must annually contract with a third party to perform an independent audit, consistent with standards established by the Public Company Accounting Oversight Board, to ensure the contest operator's compliance with ss. 546.11-546.19. The contest

Page 23 of 122

PCS for HB 7109

operator must annually submit the results of the independent audit to the division.

- (3) (a) A contest operator must provide training to employees on responsible play and practices and coordinate with the compulsive or addictive behavior prevention program implemented pursuant to this subsection to recognize problem situations, implement responsible play and practices, and implement protections for underage participants.
- (b) The division shall, subject to competitive bidding, contract for services related to the prevention of compulsive or addictive behavior related to fantasy contests. The contract shall provide for an advertising program to encourage responsible play and practices and to publicize a telephone help line and shall include accountability standards that must be met by any private provider. Failure of a private provider to meet any material terms of the contract, including the accountability standards, constitutes a breach of contract or grounds for nonrenewal.
- (c) The compulsive or addictive behavior prevention program shall be funded by the allocation of 7.5 percent of initial application fees and 7.5 percent of any subsequent annual license renewal fees paid by contest operators to the division.
- Section 8. Section 546.16, Florida Statutes, is created to read:
 - 546.16 Authority of the division.—The division is

Page 24 of 122

PCS for HB 7109

625	responsible f	for the	administ	crat	cion	and	enf	orcement	of	ss.
626	546.11-546.19	9. The	division	is	auth	noriz	zed	to:		

- (1) Adopt rules for the administration and enforcement of ss. 546.11-546.19. Such rules shall include, but need not be limited to, procedures for the operation of fantasy contests, recordkeeping and reporting requirements for contest operators, and procedures for the collection of entry fees.
- (2) Perform any other duties authorized by the Secretary of Business and Professional Regulation.
- (3) Conduct investigations and monitor the operation of fantasy contests.
- (4) Review the books, accounts, and records of any current or former contest operator.
- (5) Suspend, revoke, or deny, after hearing, the license of a contest operator that violates ss. 546.11-546.19 or rules adopted thereunder by the division.
- (6) Take testimony and issue summons, subpoenas, and subpoenas duces tecum in connection with any matter related to the administration or enforcement of ss. 546.11-546.19.
- (7) Monitor and enforce the collection and safeguard of contest entry fees, the payment of contest prizes, and the consumer protection provisions of s. 546.15.
- (8) Coordinate with other department personnel as needed to assist in the administration and enforcement of ss. 546.11-546.19.
 - Section 9. Section 546.17, Florida Statutes, is created to

Page 25 of 122

PCS for HB 7109

651 read:

546.17 Records and reports.-

- (1) Each contest operator shall keep and maintain daily records of its operations relevant to compliance with ss.

 546.14-546.16 and shall maintain such records for at least 3 years. Such records shall include all financial transactions and contain sufficient detail to determine compliance with the requirements of this section. All records shall be available for audit and inspection by the division or other law enforcement agencies during the contest operator's regular business hours. The information required in such records shall be determined by division rule.
- (2) Each contest operator shall file a quarterly report with the division that includes such required records and any additional information deemed necessary by the division. The report shall be submitted in the format prescribed by the division which, once filed, becomes a public record.

Section 10. Section 546.18, Florida Statutes, is created to read:

546.18 Penalties.—In addition to other applicable civil, administrative, and criminal penalties, a contest operator, or an employee or agent thereof that violates ss. 546.11-546.19 is subject to a civil penalty not to exceed \$5,000 for each violation, and not to exceed \$100,000 in the aggregate, which shall accrue to the state and may be recovered in a civil action brought by the division or the Department of Legal Affairs in

Page 26 of 122

PCS for HB 7109

circuit court in the name and on behalf of the state; the same to be applied when collected as all other penal forfeitures are disposed of.

Section 11. Section 546.19, Florida Statutes, is created to read:

546.19 Exemption.—Fantasy contests conducted in accordance with ss. 546.11-546.19 by a contest operator licensed in accordance with ss. 546.11-546.19, or by a noncommercial contest operator, are not subject to ss. 849.01, 849.08, 849.09, 849.11, 849.14, or 849.25.

Section 12. The Division of Regulation of the Department of Business and Professional Regulation may not penalize an unlicensed contest operator for offering fantasy contests within 240 days after the effective date of this act, if the contest operator applies for a license within 90 days after the effective date of this act and is issued such license within 240 days after the effective date of this act.

Section 13. Subsections (11) through (39) of section 550.002, Florida Statutes, are amended to read:

550.002 Definitions.—As used in this chapter, the term:

(11) (a) "Full schedule of live racing or games" means: τ

1. For a greyhound <u>racing permitholder</u> or jai alai permitholder, the conduct of a combination of at least 100 live evening or matinee performances. <u>during the preceding year; for a permitholder who has a converted permit or filed an application on or before June 1, 1990, for a converted permit,</u>

Page 27 of 122

PCS for HB 7109

the conduct of a combination of at least 100 live evening and matinee wagering performances during either of the 2 preceding years;

- 2. For a jai alai permitholder that who does not operate slot machines in its pari-mutuel facility, who has conducted at least 100 live performances per year for at least 10 years after December 31, 1992, and has had whose handle on live jai alai games conducted at its pari-mutuel facility which was has been less than \$4 million per state fiscal year for at least 2 consecutive years after June 30, 1992, the conduct of a combination of at least 40 live evening or matinee performances. during the preceding year;
- 3. For a jai alai permitholder that who operates slot machines in its pari-mutuel facility, the conduct of a combination of at least 150 performances. during the preceding year;
- 4. For a summer jai alai permitholder, authorized pursuant to former s. 550.0745, Florida Statutes, 2015, as created by s. 14, chapter 1992-348, Laws of Florida, the conduct of at least 58 live performances during the preceding year, unless the permitholder meets the requirements of subparagraph 2.
- <u>5.</u> For a harness <u>racing</u> permitholder, the conduct of at least 100 live regular wagering performances. <u>during the preceding year;</u>
- <u>6.</u> For a quarter horse <u>racing</u> permitholder at its facility, unless an alternative schedule of at least 20 live

Page 28 of 122

PCS for HB 7109

regular wagering performances <u>each year</u> is agreed upon by the permitholder and either the Florida Quarter Horse Racing Association or the <u>horsemen</u> horsemen's association representing the majority of the quarter horse owners and trainers at the facility and filed with the division along with its annual <u>operating license</u> date application:

- \underline{a} . In the 2010-2011 fiscal year, the conduct of at least 20 regular wagering performances. $_{7}$
- $\underline{\text{b.}}$ In the 2011-2012 and 2012-2013 fiscal years, the conduct of at least 30 live regular wagering performances., and
- $\underline{\text{c.}}$ For every fiscal year after the 2012-2013 fiscal year, the conduct of at least 40 live regular wagering performances.
- 7. For a quarter horse <u>racing</u> permitholder leasing another licensed racetrack, the conduct of 160 events at the leased facility during the preceding year. 7.
- 8. For a thoroughbred <u>racing</u> permitholder, the conduct of at least 40 live regular wagering performances during the preceding year.
- (b) For a permitholder which is restricted by statute to certain operating periods within the year when other members of its same class of permit are authorized to operate throughout the year, the specified number of live performances which constitute a full schedule of live racing or games shall be adjusted pro rata in accordance with the relationship between its authorized operating period and the full calendar year and the resulting specified number of live performances shall

Page 29 of 122

PCS for HB 7109

constitute the full schedule of live games for such permitholder and all other permitholders of the same class within 100 air miles of such permitholder. A live performance must consist of no fewer than eight races or games conducted live for each of a minimum of three performances each week at the permitholder's licensed facility under a single admission charge.

- (12) "Greyhound racing permitholder" means any entity permitted under this chapter to conduct pari-mutuel wagering meets of greyhound racing, regardless of whether the permitholder indicates that it will conduct live racing on its annual operating license application.
- $\underline{\text{(13)}}$ "Guest track" means a track or fronton receiving or accepting an intertrack wager.
- $\underline{\text{(14)}}$ "Handle" means the aggregate contributions to pari-mutuel pools.
- (15)(14) "Harness racing" means a type of horseracing which is limited to standardbred horses using a pacing or trotting gait in which each horse pulls a two-wheeled cart called a sulky guided by a driver.
- (16) "Harness racing permitholder" means any entity permitted under this chapter to conduct pari-mutuel wagering meets of harness racing, regardless of whether the permitholder indicates that it will conduct live racing on its annual operating license application.
- $\underline{\text{(17)}}$ "Horserace permitholder" means any thoroughbred entity permitted under the provisions of this chapter to conduct

Page 30 of 122

PCS for HB 7109

pari-mutuel wagering meets of thoroughbred racing; any harness entity permitted under this chapter to conduct pari-mutuel wagering meets of harness racing; or any quarter horse entity permitted under this chapter to conduct pari-mutuel wagering meets of quarter horse racing.

- $\underline{(18)}$ "Host track" means a track or fronton conducting a live or simulcast race or game that is the subject of an intertrack wager.
- (19) (17) "Intertrack wager" means a particular form of pari-mutuel wagering in which wagers are accepted at a permitted, in-state track, fronton, or pari-mutuel facility on a race or game transmitted from and performed live at, or simulcast signal rebroadcast from, another in-state pari-mutuel facility.
- (20) (18) "Jai alai" or "pelota" means a ball game of Spanish origin played on a court with three walls.
- (21) "Jai alai permitholder" means any entity permitted under this chapter to conduct pari-mutuel wagering meets of jai alai games, regardless of whether the permitholder indicates that it will conduct live jai alai games on its annual operating license.
- $\underline{\text{(22)}}$ "Market area" means an area within 25 miles of a permitholder's track or fronton.
- (23) (20) "Meet" or "meeting" means the conduct of live racing or jai alai for any stake, purse, prize, or premium.
 - (24) (39) "Net pool pricing" means a method of calculating

Page 31 of 122

PCS for HB 7109

prices awarded to winning wagers relative to the contribution, net of takeouts, to a pool by each participating jurisdiction or, as applicable, site.

- (25) (21) "Operating day" means a continuous period of 24 hours starting with the beginning of the first performance of a race or game, even though the operating day may start during one calendar day and extend past midnight except that no greyhound race or jai alai game may commence after 1:30 a.m.
- (26) (22) "Pari-mutuel" means a system of betting on races or games in which the winners divide the total amount bet, after deducting management expenses and taxes, in proportion to the sums they have wagered individually and with regard to the odds assigned to particular outcomes.
- (27) (23) "Pari-mutuel facility" means a racetrack, fronton, or other facility used by a permitholder for the conduct of pari-mutuel wagering.
- $\underline{(28)}$ "Pari-mutuel wagering pool" means the total amount wagered on a race or game for a single possible result.
- (29) (25) "Performance" means a series of events, races, or games performed consecutively under a single admission charge.
- $\underline{(30)}$ "Post time" means the time set for the arrival at the starting point of the horses or greyhounds in a race or the beginning of a game in jai alai.
- $\underline{\text{(31)}}$ "Purse" means the cash portion of the prize for which a race or game is contested.
 - (32) (28) "Quarter horse" means a breed of horse developed

Page 32 of 122

PCS for HB 7109

in the western United States which is capable of high speed for a short distance and used in quarter horse racing registered with the American Quarter Horse Association.

- (33) "Quarter horse racing permitholder" means any entity permitted under this chapter to conduct pari-mutuel wagering meets of quarter horse racing, regardless of whether the permitholder indicates that it will conduct live racing on its annual operating license application.
- (34) (29) "Racing greyhound" means a greyhound that is or was used, or is being bred, raised, or trained to be used, in racing at a pari-mutuel facility and is registered with the National Greyhound Association.
- (35) (30) "Regular wagering" means contributions to parimutuel pools involving wagering on a single entry in a single race, or a single jai alai player or team in a single game, such as the win pool, the place pool, or the show pool.
- (36) (31) "Same class of races, games, or permit" means, with respect to a jai alai permitholder, jai alai games or other jai alai permitholders; with respect to a greyhound permitholder, greyhound races or other greyhound racing permitholders; with respect to a thoroughbred racing permitholder, thoroughbred races or other thoroughbred racing permitholders; with respect to a harness racing permitholder, harness races or other harness racing permitholders; with respect to a quarter horse racing permitholder, quarter horse races or other quarter horse racing permitholders.

Page 33 of 122

PCS for HB 7109

(37) (32) "Simulcasting" means broadcasting events occurring live at an in-state location to an out-of-state location, or receiving at an in-state location events occurring live at an out-of-state location, by the transmittal, retransmittal, reception, and rebroadcast of television or radio signals by wire, cable, satellite, microwave, or other electrical or electronic means for receiving or rebroadcasting the events.

(38) (33) "Standardbred horse" means a pacing or trotting horse that is used in harness racing and that has been registered as a standardbred by the United States Trotting Association or by a foreign registry whose stud book is recognized by the United States Trotting Association.

(39) (34) "Takeout" means the percentage of the pari-mutuel pools deducted by the permitholder prior to the distribution of the pool.

(40) (35) "Thoroughbred" means a purebred horse whose ancestry can be traced back to one of three foundation sires and whose pedigree is registered in the American Stud Book or in a foreign stud book that is recognized by the Jockey Club and the International Stud Book Committee.

(41) "Thoroughbred racing permitholder" means any entity permitted under this chapter to conduct pari-mutuel wagering meets of thoroughbred racing, regardless of whether the permitholder indicates that it will conduct live racing on its annual operating license application.

Page 34 of 122

PCS for HB 7109

(42)(36) "Totalisator" means the computer system used to accumulate wagers, record sales, calculate payoffs, and display wagering data on a display device that is located at a parimutuel facility.

(43) (37) "Ultimate equitable owner" means a natural person who, directly or indirectly, owns or controls 5 percent or more of an ownership interest in a corporation, foreign corporation, or alien business organization, regardless of whether such person owns or controls such ownership through one or more natural persons or one or more proxies, powers of attorney, nominees, corporations, associations, partnerships, trusts, joint stock companies, or other entities or devices, or any combination thereof.

(44) (38) "Year," for purposes of determining a full schedule of live racing, means the state fiscal year.

Section 14. Subsections (1), (3), and (6) of section 550.01215, Florida Statutes, are amended, and subsection (7) is added to that section, to read:

550.01215 License application; periods of operation; bond, conversion of permit.—

(1) Each permitholder shall annually, during the period between December 15 and January 31 4, file in writing with the division its application for an operating a license for to conduct performances during the next state fiscal year. Each application for live performances must shall specify the number, and dates, and starting times of all live performances that

Page 35 of 122

PCS for HB 7109

 $\frac{\text{which}}{\text{which}}$ the permitholder intends to conduct. It $\frac{\text{must}}{\text{shall}}$ also specify which performances will be conducted as charity or scholarship performances.

- (a) In addition, Each application for an operating a license must also shall include: τ
- $\underline{\text{1. Whether the For each}}$ permitholder $\underline{\text{which}}$ elects $\underline{\text{to}}$ accept wagers on broadcast events.
- 2. For each permitholder that elects to operate a cardroom, the dates and periods of operation the permitholder intends to operate the cardroom. or,
- 3. For each thoroughbred <u>racing</u> permitholder <u>that</u> which elects to receive or rebroadcast out-of-state races after 7 p.m., the dates for all performances which the permitholder intends to conduct.
- 4. Whether the permitholder intends to conduct live racing.
- 5. Whether the permitholder wants to place the permit into inactive status for a period of 12 months pursuant to division rule.
- (b) 1. A greyhound racing permitholder that conducted a full schedule of live racing for a period of at least 10 consecutive state fiscal years after the 1996-1997 state fiscal year, or that converted its permit to a permit to conduct greyhound racing after the 1996-1997 state fiscal year, may specify in its annual application for an operating license that it does not intend to conduct live racing, or that it intends to

Page 36 of 122

PCS for HB 7109

conduct less than a full schedule of live racing, in the next state fiscal year. A greyhound racing permitholder may receive an operating license to conduct pari-mutuel wagering activities at another permitholder's greyhound racing facility pursuant to s. 550.475.

- 2. Any harness racing permitholder and any quarter horse racing permitholder that has held an operating license for at least 5 years and a cardroom license for at least 2 years is exempt from the live racing requirements of this subsection and may specify in its annual application for an operating license that it does not intend to conduct live racing, or that it intends to conduct less than a full schedule of live racing, in the next state fiscal year.
- 3. A thoroughbred racing permitholder that has had an operating license for at least 25 years, operated a slot machine facility, and held a slot machine license for at least 5 years is exempt from the live racing requirements of this subsection and may specify in its annual application for an operating license that it does not intend to conduct live racing, or that it intends to conduct less than a full schedule of live racing, in the next state fiscal year.
- 4. A jai alai permitholder that has held an operating license for at least 5 years and is not authorized to conduct cardroom operations pursuant to s. 849.086(16) is exempt from the live jai alai requirements of this subsection and may specify in its annual application for an operating license that

Page 37 of 122

PCS for HB 7109

it does not intend to conduct live jai alai, or that it intends to conduct less than a full schedule of live jai alai, in the next state fiscal year.

- <u>(c)</u> Permitholders <u>may</u> shall be entitled to amend their applications through February 28.
- The division shall issue each license no later than March 15. Each permitholder shall operate all performances at the date and time specified on its license. The division shall have the authority to approve minor changes in racing dates after a license has been issued. The division may approve changes in racing dates after a license has been issued when there is no objection from any operating permitholder located within 50 miles of the permitholder requesting the changes in operating dates. In the event of an objection, the division shall approve or disapprove the change in operating dates based upon the impact on operating permitholders located within 50 miles of the permitholder requesting the change in operating dates. In making the determination to change racing dates, the division shall take into consideration the impact of such changes on state revenues. Notwithstanding any other provision of law, and for the 2016-2017 fiscal year only, the division may approve changes in racing dates for permitholders if the request for such changes is received before August 31, 2016.
- (6) A summer jai alai permitholder, authorized pursuant to former s. 550.0745, Florida Statutes, 2015, as created by s. 14, chapter 1992-348, Laws of Florida, may apply for a operating

Page 38 of 122

PCS for HB 7109

963

964

965

966

967

968

969

970

971

972

973

974

975

976

977

978

979

980

981

982

983

984

985

986

987

988

license to operate a jai alai fronton only during the summer season beginning May 1 and ending November 30 of each year on the dates selected by the permitholder. Such permitholder is subject to the same taxes, rules, and provisions of this chapter which apply to the operation of winter jai alai frontons. A summer jai alai permitholder is not eligible for licensure as a slot machine facility. A summer jai alai permitholder and a winter jai alai permitholder may not operate on the same days or in competition with each other. This subsection does not prevent a summer jai alai licensee from leasing the facilities of a winter jai alai licensee for the operation of a summer meet Any permit which was converted from a jai alai permit to a greyhound permit may be converted to a jai alai permit at any time if the permitholder never conducted greyhound racing or if the permitholder has not conducted greyhound racing for a period of 12 consecutive months.

- of each year, the holder of a limited thoroughbred racing permit that did not file an application for live performances between December 15 and January 31 may apply to conduct live performances; and such application must be filed before February 15:
- (a) All thoroughbred racing permitholders with slot machine licenses have not collectively sought pari-mutuel wagering licenses for at least 160 performances and a minimum of 1,760 races in the next state fiscal year;

Page 39 of 122

PCS for HB 7109

989

990

991

992

993

994

995

996

997

998

999

1000

1001

1002

1003

1004

1005

1006

1007

1008

1009

1010

1011

1012

1013

1014

	(b) All thoroughbred racing permitholders have not											
coll	ectiv	ely sou	ght p	ari-m	utuel	wag	geri	ng lic	ense	es fo	or at	least
200	perfo	rmances	or a	mini	mum c	f 1,	760	races	in	the	next	state
fisc	cal ye	ar; or										
	, ,	777 . 1										

- (c) All thoroughbred racing permitholders did not collectively run at least 1,760 races in the previous state fiscal year.
- Section 15. Subsection (1) of section 550.0251, Florida Statutes, is amended to read:

550.0251 The powers and duties of the Division of Parimutuel Wagering of the Department of Business and Professional Regulation.—The division shall administer this chapter and regulate the pari-mutuel industry under this chapter and the rules adopted pursuant thereto, and:

- (1) The division shall make an annual report to the Governor, the President of the Senate, and the Speaker of the House of Representatives. The report shall include, at a minimum:
- (a) Recent events in the gaming industry occurring since the last annual report, including administrative complaints filed against permitholders; consent orders entered into with permitholders; litigation between the division and a permitholder; the approval, revocation, or suspension of any permit or operating, slot machine, or cardroom license; and new and approved or proposed rules.
 - (b) Actions of the department relating to the

Page 40 of 122

PCS for HB 7109

implementation and administration of this chapter, chapter 551, and s. 849.086.

- (c) The state revenues associated with each form of authorized gaming. Revenues associated with pari-mutuel wagering must be further delineated by the class of license.
- (d) The performance of each pari-mutuel wagering licensee, cardroom licensee, and slot machine licensee.
- (e) A summary of disciplinary actions taken by the department.
- (f) A summary of each permitholder's licensing history from the date of issuance of the permit to the present or the most recent 25 years, whichever is less, including each year an operating, cardroom, or slot machine license was issued, the address of the operation of each, and the number of races or games actually completed during the fiscal year.
- (g) Any recommendations to more effectively achieve showing its own actions, receipts derived under the provisions of this chapter, the practical effects of the application of this chapter, and any suggestions it may approve for the more effectual accomplishments of the purposes of this chapter, chapter 551, and s. 849.086.

Section 16. Paragraph (b) of subsection (9), paragraph (a) of subsection (11), and subsections (13) and (14) of section 550.054, Florida Statutes, are amended, and paragraphs (c) through (f) are added to subsection (9) of that section, to read:

Page 41 of 122

PCS for HB 7109

550.054 Application for permit to conduct pari-mutuel wagering.—

(9)

- (b) The division may revoke or suspend any permit or license issued under this chapter upon a the willful violation by the permitholder or licensee of any provision of chapter 551, chapter 849, or this chapter or rules of any rule adopted pursuant thereto under this chapter. With the exception of the revocation of permits required in paragraphs (c) and (f) In lieu of suspending or revoking a permit or license, the division, in lieu of suspending or revoking a permit or license, may impose a civil penalty against the permitholder or licensee for a violation of this chapter or rules adopted pursuant thereto any rule adopted by the division. The penalty so imposed may not exceed \$1,000 for each count or separate offense. All penalties imposed and collected must be deposited with the Chief Financial Officer to the credit of the General Revenue Fund.
- (c)1. The division shall revoke the permit of any permitholder that fails to make payments due pursuant to ch. 550, ch. 551, or s. 849.086 for more than 24 consecutive months unless such failure was the direct result of fire, strike, war, or other disaster or event beyond the permitholder's control. Financial hardship to the permitholder does not, in and of itself, constitute just cause for failure to operate or pay tax on handle.
 - 2. The division shall revoke the permit of any

Page 42 of 122

PCS for HB 7109

permitholder that has not obtained an operating license in accordance with s. 550.01215 for a period of more than 24 consecutive months after June 30, 2012. The division shall revoke the permit upon adequate notice to the permitholder. Financial hardship to the permitholder does not, in and of itself, constitute just cause for failure to operate.

- (d) A new permit to conduct pari-mutuel wagering may not be approved or issued after July 1, 2016.
- (e) A permit revoked under this subsection is void and may not be reissued.
- (f) A permitholder may apply to the division to place the permit into inactive status for a period of 12 months, if such application is made pursuant to s. 550.01215 and division rule. The permitholder may renew inactive status for up to 12 additional months, but a permit may not be in inactive status for a period of more than 24 consecutive months. Permitholders in inactive status are not eligible for an operating license or licensure for pari-mutuel wagering, slot machines, or cardrooms. Inactive status shall be removed upon approval of an application for an operating license. The division shall revoke any permitholder that is in inactive status for more than 24 months.
- (11) (a) A permit granted under this chapter may not be transferred or assigned except upon written approval by the division pursuant to s. 550.1815, except that the holder of any permit that has been converted to a jai alai permit may lease or build anywhere within the county in which its permit is located.

Page 43 of 122

PCS for HB 7109

- (13) (a) Notwithstanding any provision provisions of this chapter or chapter 551, a pari-mutuel no thoroughbred horse racing permit or license issued under this chapter may not shall be transferred, or reissued when such reissuance is in the nature of a transfer so as to permit or authorize a licensee to change the location of a thoroughbred horse racetrack except upon proof in such form as the division may prescribe that a referendum election has been held:
- 1. If the proposed new location is within the same county as the already licensed location, in the county where the licensee desires to conduct the race meeting and that a majority of the electors voting on that question in such election voted in favor of the transfer of such license.
- 2. If the proposed new location is not within the same county as the already licensed location, in the county where the licensee desires to conduct the race meeting and in the county where the licensee is already licensed to conduct the race meeting and that a majority of the electors voting on that question in each such election voted in favor of the transfer of such license.
- (b) Each referendum held under the provisions of this subsection shall be held in accordance with the electoral procedures for ratification of permits, as provided in s. 550.0651. The expense of each such referendum shall be borne by the licensee requesting the transfer.
 - (14) (a) Notwithstanding any other provision of law, a

Page 44 of 122

PCS for HB 7109

pari-mutuel permit, cardroom, or slot machine facility may not be relocated except as provided ss. 550.0555 and 550.3345, and a pari-mutuel permit may not be converted to another class of permit. Any holder of a permit to conduct jai alai may apply to the division to convert such permit to a permit to conduct greyhound racing in lieu of jai alai if:

- 1. Such permit is located in a county in which the division has issued only two pari-mutuel permits pursuant to this section;
- 2. Such permit was not previously converted from any other class of permit; and
- 3. The holder of the permit has not conducted jai alai games during a period of 10 years immediately preceding his or her application for conversion under this subsection.
- (b) The division, upon application from the holder of a jai alai permit meeting all conditions of this section, shall convert the permit and shall issue to the permitholder a permit to conduct greyhound racing. A permitholder of a permit converted under this section shall be required to apply for and conduct a full schedule of live racing each fiscal year to be eligible for any tax credit provided by this chapter. The holder of a permit converted pursuant to this subsection or any holder of a permit to conduct greyhound racing located in a county in which it is the only permit issued pursuant to this section who operates at a leased facility pursuant to s. 550.475 may move the location for which the permit has been issued to another

Page 45 of 122

PCS for HB 7109

location within a 30-mile radius of the location fixed in the permit issued in that county, provided the move does not cross the county boundary and such location is approved under the zoning regulations of the county or municipality in which the permit is located, and upon such relocation may use the permit for the conduct of pari-mutuel wagering and the operation of a cardroom. The provisions of s. 550.6305(9)(d) and (f) shall apply to any permit converted under this subsection and shall continue to apply to any permit which was previously included under and subject to such provisions before a conversion pursuant to this section occurred.

Section 17. Subsection (2) of section 550.0555, Florida Statutes, is amended to read:

550.0555 Greyhound dogracing permits; Permitholder relocation within a county; conditions.—

dogracing in a county in which there is only one dogracing permit issued, as well as any holder of a valid outstanding permit for jai alai in a county where only one jai alai permit is issued, is The following permitholders are authorized, without the necessity of an additional county referendum required under s. 550.0651, to move the location for which the permit has been issued to another location within a 30-mile radius of the location fixed in the permit issued in that county, provided the move does not cross the county boundary, that such relocation is approved under the zoning regulations of

Page 46 of 122

PCS for HB 7109

the county or municipality in which the permit is to be located as a planned development use, consistent with the comprehensive plan, and that such move is approved by the department after it is determined that the new location is at least 10 miles from an existing pari-mutuel facility and, if within a county with three or more pari-mutuel permits, is at least 10 miles from the waters of the Atlantic Ocean:

- (a) Any holder of a valid outstanding permit for greyhound racing that was previously converted from a jai alai permit;
- (b) Any holder of a valid outstanding permit for greyhound racing in a county in which there is only one greyhound racing permit issued; and
- in a county where only one jai alai permit is issued. at a proceeding pursuant to chapter 120 in the county affected that the move is necessary to ensure the revenue-producing capability of the permittee without deteriorating the revenue-producing capability of any other pari-mutuel permittee within 50 miles;

The <u>distances</u> shall be measured on a straight line from the nearest property line of one racing plant or jai alai fronton to the nearest property line of the other <u>and the nearest mean high tide line of the Atlantic Ocean</u>.

Section 18. <u>Section 550.0745</u>, Florida Statutes, is repealed.

Section 19. Section 550.0951, Florida Statutes, is amended

Page 47 of 122

PCS for HB 7109

1223 to read:

1224

1225

1226

1227

1228

1229

12301231

1232

1233

1234

1235

1236

1237

1238

1239

1240

1241

1242

1243

1244

1245

1246

1247

1248

550.0951 Payment of daily license fee and taxes; penalties.—

(1) (a) DAILY LICENSE FEE. - Each person engaged in the business of conducting race meetings or jai alai games under this chapter, hereinafter referred to as the "permitholder," "licensee," or "permittee," shall pay to the division, for the $use of the division_r$ a daily license fee on each live or simulcast pari-mutuel event of \$100 for each horserace, and \$80 for each greyhound race, dograce and \$40 for each jai alai game, any of which is conducted at a racetrack or fronton licensed under this chapter. A In addition to the tax exemption specified in s. 550.09514(1) of \$360,000 or \$500,000 per greyhound permitholder per state fiscal year, each greyhound permitholder shall receive in the current state fiscal year a tax credit equal to the number of live greyhound races conducted in the previous state fiscal year times the daily license fee specified for each dograce in this subsection applicable for the previous state fiscal year. This tax credit and the exemption in s. 550.09514(1) shall be applicable to any tax imposed by this chapter or the daily license fees imposed by this chapter except during any charity or scholarship performances conducted pursuant to s. 550.0351. Each permitholder may not be required to shall pay daily license fees in excess of not to exceed \$500 per day on any simulcast races or games on which such permitholder accepts wagers, regardless of the number of out-of-

Page 48 of 122

PCS for HB 7109

state events taken or the number of out-of-state locations from which such events are taken. This license fee shall be deposited with the Chief Financial Officer to the credit of the Parimutuel Wagering Trust Fund.

(b) Each permitholder that cannot utilize the full amount of the exemption of \$360,000 or \$500,000 provided in s. 550.09514(1) or the daily license fee credit provided in this section may, after notifying the division in writing, elect once per state fiscal year on a form provided by the division to transfer such exemption or credit or any portion thereof greyhound permitholder which acts as a host track to such permitholder for the purpose of intertrack wagering. Once an election to transfer such exemption or credit is filed with the division, it shall not be rescinded. The division shall disapprove the transfer when the amount of the exemption or credit or portion thereof is unavailable to the transferring permitholder or when the permitholder who is entitled to transfer the exemption or credit or who is entitled to receive the exemption or credit owes taxes to the state pursuant to a deficiency letter or administrative complaint issued by the division. Upon approval of the transfer by the division, the transferred tax exemption or credit shall be effective for the first performance of the next payment period as specified in subsection (5). The exemption or credit transferred to such host track may be applied by such host track against any taxes imposed by this chapter or daily license fees imposed by this

Page 49 of 122

PCS for HB 7109

1249

1250

1251

1252

1253

1254

1255

1256

1257

1258

1259

1260

1261

1262

1263

1264

1265

1266

1267

1268

1269

1270

1271

1272

1273

1274

chapter. The greyhound permitholder host track to which such exemption or credit is transferred shall reimburse such permitholder the exact monetary value of such transferred exemption or credit as actually applied against the taxes and daily license fees of the host track. The division shall ensure that all transfers of exemption or credit are made in accordance with this subsection and shall have the authority to adopt rules to ensure the implementation of this section.

- (2) ADMISSION TAX.-
- (a) An admission tax equal to 15 percent of the admission charge for entrance to the permitholder's facility and grandstand area, or 10 cents, whichever is greater, is imposed on each person attending a horserace, greyhound race dograce, or jai alai game. The permitholder <u>is shall be</u> responsible for collecting the admission tax.
- (b) The No admission tax imposed under this chapter and or chapter 212 may not shall be imposed on any free passes or complimentary cards issued to persons for which there is no cost to the person for admission to pari-mutuel events.
- (c) A permitholder may issue tax-free passes to its officers, officials, and employees and to er other persons actually engaged in working at the racetrack, including accredited media press representatives such as reporters and editors, and may also issue tax-free passes to other permitholders for the use of their officers and officials. The permitholder shall file with the division a list of all persons

Page 50 of 122

PCS for HB 7109

to whom tax-free passes are issued under this paragraph.

- (3) TAX ON HANDLE.—Each permitholder shall pay a tax on contributions to pari-mutuel pools, the aggregate of which is hereinafter referred to as "handle," on races or games conducted by the permitholder. The tax is imposed daily and is based on the total contributions to all pari-mutuel pools conducted during the daily performance. If a permitholder conducts more than one performance daily, the tax is imposed on each performance separately.
- (a) The tax on handle for quarter horse racing is 1.0 percent of the handle.
- (b)1. The tax on handle for greyhound racing dogracing is 1.28 5.5 percent of the handle, except that for live charity performances held pursuant to s. 550.0351, and for intertrack wagering on such charity performances at a guest greyhound track within the market area of the host, the tax is 7.6 percent of the handle.
- 2. The tax on handle for jai alai is 7.1 percent of the handle.
 - (c)1. The tax on handle for intertrack wagering is:
- <u>a. If the host track is a horse track,</u> 2.0 percent of the handle.
- <u>b.</u> If the host track is a <u>harness</u> horse track, 3.3 percent of the handle.
- 1325 <u>c.</u> If the host track is a greyhound harness track, 1.281326 5.5 percent of the handle, to be remitted by the guest track. $\frac{1}{1.28}$

Page 51 of 122

PCS for HB 7109

the host track is a dog track, and

- d. If the host track is a jai alai fronton, 7.1 percent of the handle if the host track is a jai alai fronton.
- e. The tax on handle for intertrack wagering is 0.5 percent If the host track and the guest track are thoroughbred racing permitholders or if the guest track is located outside the market area of a the host track that is not a greyhound racing track and within the market area of a thoroughbred racing permitholder currently conducting a live race meet, 0.5 percent of the handle.
- <u>f.</u> The tax on handle For intertrack wagering on rebroadcasts of simulcast thoroughbred horseraces, is 2.4 percent of the handle and 1.5 percent of the handle for intertrack wagering on rebroadcasts of simulcast harness horseraces, 1.5 percent of the handle.
- $\underline{2.}$ The tax shall be deposited into the Pari-mutuel Wagering Trust Fund.
- 3.2. The tax on handle for intertrack wagers accepted by any greyhound $\frac{1}{1}$ dog track located in an area of the state in which there are only three permitholders, all of which are greyhound $\frac{1}{1}$ racing permitholders, located in three contiguous counties, from any greyhound $\frac{1}{1}$ racing permitholder also located within such area or any $\frac{1}{1}$ greyhound $\frac{1}{1}$ dog track or jai alai fronton located as specified in s. $\frac{1}{1}$ $\frac{1}{1$

Page 52 of 122

PCS for HB 7109

handle if the host facility is a greyhound racing permitholder.

and, If the host facility is a jai alai permitholder, the tax is rate shall be 6.1 percent of the handle until except that it shall be 2.3 percent on handle at such time as the total tax on intertrack handle paid to the division by the permitholder during the current state fiscal year exceeds the total tax on intertrack handle paid to the division by the permitholder during the 1992-1993 state fiscal year, in which case the tax is 2.3 percent of the handle.

- (d) Notwithstanding any other provision of this chapter, in order to protect the Florida jai alai industry, effective July 1, 2000, a jai alai permitholder may not be taxed on live handle at a rate higher than 2 percent.
- (4) BREAKS TAX.—Effective October 1, 1996, each permitholder conducting jai alai performances shall pay a tax equal to the breaks. As used in this subsection, the term "breaks" means the money that remains in each pari-mutuel pool after funds are The "breaks" represents that portion of each pari-mutuel pool which is not redistributed to the contributors and commissions are or withheld by the permitholder as commission.
- (5) PAYMENT AND DISPOSITION OF FEES AND TAXES.—Payments imposed by this section shall be paid to the division. The division shall deposit such payments these sums with the Chief Financial Officer, to the credit of the Pari-mutuel Wagering Trust Fund, hereby established. The permitholder shall remit to

Page 53 of 122

PCS for HB 7109

the division payment for the daily license fee, the admission tax, the tax on handle, and the breaks tax. Such payments must shall be remitted by 3 p.m. on Wednesday of each week for taxes imposed and collected for the preceding week ending on Sunday. Beginning on July 1, 2012, such payments must shall be remitted by 3 p.m. on the 5th day of each calendar month for taxes imposed and collected for the preceding calendar month. If the 5th day of the calendar month falls on a weekend, payments must shall be remitted by 3 p.m. on the first Monday following the weekend. Permitholders shall file a report under oath by the 5th day of each calendar month for all taxes remitted during the preceding calendar month. Such payments must shall be accompanied by a report under oath showing the total of all admissions, the pari-mutuel wagering activities for the preceding calendar month, and any such other information as may be prescribed by the division.

(6) PENALTIES.-

(a) The failure of any permitholder to make payments as prescribed in subsection (5) is a violation of this section, and the permitholder may be subjected by the division may impose to a civil penalty against the permitholder of up to \$1,000 for each day the tax payment is not remitted. All penalties imposed and collected shall be deposited in the General Revenue Fund. If a permitholder fails to pay penalties imposed by order of the division under this subsection, the division may suspend or revoke the license of the permitholder, cancel the permit of the

Page 54 of 122

PCS for HB 7109

1379

1380

1381

1382

1383

1384

1385

1386

13871388

1389

1390

1391

1392

1393

1394

1395

1396

1397

1398

1399

1400

1401

1402

1403

1404

permitholder, or deny issuance of any further license or permit to the permitholder.

(b) In addition to the civil penalty prescribed in paragraph (a), any willful or wanton failure by any permitholder to make payments of the daily license fee, admission tax, tax on handle, or breaks tax constitutes sufficient grounds for the division to suspend or revoke the license of the permitholder, to cancel the permit of the permitholder, or to deny issuance of any further license or permit to the permitholder.

Section 20. Section 550.09512, Florida Statutes, is amended to read:

550.09512 Harness horse <u>racing</u> taxes; abandoned interest in a permit for nonpayment of taxes.—

(1) Pari-mutuel wagering at harness horse racetracks in this state is an important business enterprise, and taxes derived therefrom constitute a part of the tax structure which funds operation of the state. Harness racing horse permitholders should pay their fair share of these taxes to the state. This business interest should not be taxed to such an extent as to cause any racetrack which is operated under sound business principles to be forced out of business. Due to the need to protect the public health, safety, and welfare, the gaming laws of the state provide for the harness horse industry to be highly regulated and taxed. The state recognizes that there exist identifiable differences between harness racing horse permitholders based upon their ability to operate under such

Page 55 of 122

PCS for HB 7109

regulation and tax system.

- (2)(a) The tax on handle for live harness horse performances is 0.5 percent of handle per performance.
- (b) For purposes of this section, the term "handle" shall have the same meaning as in s. 550.0951, and shall not include handle from intertrack wagering.
- horse racing permitholder that fails to make payments due pursuant to this chapter, ch. 551, or s. 849.086 for more than 24 consecutive months who does not pay tax on handle for live harness horse performances for a full schedule of live races during any 2 consecutive state fiscal years shall be void and shall escheat to and become the property of the state unless such failure to operate and pay tax on handle was the direct result of fire, strike, war, or other disaster or event beyond the ability of the permitholder to control. Financial hardship to the permitholder does shall not, in and of itself, constitute just cause for failure to operate and pay tax on handle. A permit revoked under this subsection is void and may not be reissued.
- (b) In order to maximize the tax revenues to the state, the division shall reissue an escheated harness horse permit to a qualified applicant pursuant to the provisions of this chapter as for the issuance of an initial permit. However, the provisions of this chapter relating to referendum requirements for a pari-mutuel permit shall not apply to the reissuance of an

Page 56 of 122

PCS for HB 7109

escheated harness horse permit. As specified in the application and upon approval by the division of an application for the permit, the new permitholder shall be authorized to operate a harness horse facility anywhere in the same county in which the escheated permit was authorized to be operated, notwithstanding the provisions of s. 550.054(2) relating to mileage limitations.

(4) In the event that a court of competent jurisdiction determines any of the provisions of this section to be unconstitutional, it is the intent of the Legislature that the provisions contained in this section shall be null and void and that the provisions of s. 550.0951 shall apply to all harness racing horse permitholders beginning on the date of such judicial determination. To this end, the Legislature declares that it would not have enacted any of the provisions of this section individually and, to that end, expressly finds them not to be severable.

Section 21. Section 550.09514, Florida Statutes, is amended to read:

550.09514 Greyhound <u>racing</u> dogracing taxes; purse requirements.—

(1) Wagering on greyhound racing is subject to a tax on handle for live greyhound racing as specified in s. 550.0951(3). However, each permitholder shall pay no tax on handle until such time as this subsection has resulted in a tax savings per state fiscal year of \$360,000. Thereafter, each permitholder shall pay the tax as specified in s. 550.0951(3) on all handle for the

Page 57 of 122

PCS for HB 7109

remainder of the permitholder's current race meet. For the three permitholders that conducted a full schedule of live racing in 1995, and are closest to another state that authorizes greyhound pari-mutuel wagering, the maximum tax savings per state fiscal year shall be \$500,000. The provisions of this subsection relating to tax exemptions shall not apply to any charity or scholarship performances conducted pursuant to s. 550.0351.

- (1)(2)(a) The division shall determine for each greyhound racing permitholder the annual purse percentage rate of live handle for the state fiscal year 1993-1994 by dividing total purses paid on live handle by the permitholder, exclusive of payments made from outside sources, during the 1993-1994 state fiscal year by the permitholder's live handle for the 1993-1994 state fiscal year. A greyhound racing Each permitholder conducting live racing during a fiscal year shall pay as purses for such live races conducted during its current race meet a percentage of its live handle not less than the percentage determined under this paragraph, exclusive of payments made by outside sources, for its 1993-1994 state fiscal year.
- (b) Except as otherwise set forth herein, in addition to the minimum purse percentage required by paragraph (a), each greyhound racing permitholder conducting live racing during a fiscal year shall pay as purses an annual amount of \$60 for each live race conducted equal to 75 percent of the daily license fees paid by the greyhound racing each permitholder in for the preceding 1994-1995 fiscal year. These This purse supplement

Page 58 of 122

PCS for HB 7109

shall be disbursed weekly during the permitholder's race meet in an amount determined by dividing the annual purse supplement by the number of performances approved for the permitholder pursuant to its annual license and multiplying that amount by the number of performances conducted each week. For the greyhound permitholders in the county where there are two greyhound permitholders located as specified in s. 550.615(6), such permitholders shall pay in the aggregate an amount equal to 75 percent of the daily license fees paid by such permitholders for the 1994-1995 fiscal year. These permitholders shall be jointly and severally liable for such purse payments. The additional purses provided by this paragraph must be used exclusively for purses other than stakes and must be disbursed weekly during the permitholder's race meet. The division shall conduct audits necessary to ensure compliance with this section.

(c)1. Each greyhound <u>racing</u> permitholder, when conducting at least three live performances during any week, shall pay purses in that week on wagers it accepts as a guest track on intertrack and simulcast greyhound races at the same rate as it pays on live races. Each greyhound <u>racing</u> permitholder, when conducting at least three live performances during any week, shall pay purses in that week, at the same rate as it pays on live races, on wagers accepted on greyhound races at a guest track <u>that</u> which is not conducting live racing and is located within the same market area as the greyhound <u>racing</u> permitholder conducting at least three live performances during any week.

Page 59 of 122

PCS for HB 7109

- 2. Each host greyhound <u>racing</u> permitholder shall pay purses on its simulcast and intertrack broadcasts of greyhound races to guest facilities that are located outside its market area in an amount equal to one quarter of an amount determined by subtracting the transmission costs of sending the simulcast or intertrack broadcasts from an amount determined by adding the fees received for greyhound simulcast races plus 3 percent of the greyhound intertrack handle at guest facilities that are located outside the market area of the host and that paid contractual fees to the host for such broadcasts of greyhound races.
- (d) The division shall require sufficient documentation from each greyhound <u>racing</u> permitholder regarding purses paid on live racing to assure that the annual purse percentage rates paid by each <u>greyhound racing</u> permitholder <u>conducting on the</u> live races are not reduced below those paid during the 1993-1994 state fiscal year. The division shall require sufficient documentation from each greyhound <u>racing</u> permitholder to assure that the purses paid by each permitholder on the greyhound intertrack and simulcast broadcasts are in compliance with the requirements of paragraph (c).
- (e) In addition to the purse requirements of paragraphs (a)-(c), each greyhound <u>racing</u> permitholder <u>conducting live</u>

 <u>races</u> shall pay as purses an amount equal to one-third of the amount of the tax reduction on live and simulcast handle applicable to such permitholder as a result of the reductions in

Page 60 of 122

PCS for HB 7109

tax rates provided by s. 6, chapter 2000-354, Laws of Florida this act through the amendments to s. 550.0951(3). With respect to intertrack wagering when the host and guest tracks are greyhound racing permitholders not within the same market area, an amount equal to the tax reduction applicable to the guest track handle as a result of the reduction in tax rate provided by s. 6, chapter 2000-354, Laws of Florida, this act through the amendment to s. 550.0951(3) shall be distributed to the quest track, one-third of which amount shall be paid as purses at the guest track. However, if the guest track is a greyhound racing permitholder within the market area of the host or if the quest track is not a greyhound racing permitholder, an amount equal to such tax reduction applicable to the guest track handle shall be retained by the host track, one-third of which amount shall be paid as purses at the host track. These purse funds shall be disbursed in the week received if the permitholder conducts at least one live performance during that week. If the permitholder does not conduct at least one live performance during the week in which the purse funds are received, the purse funds shall be disbursed weekly during the permitholder's next race meet in an amount determined by dividing the purse amount by the number of performances approved for the permitholder pursuant to its annual license, and multiplying that amount by the number of performances conducted each week. The division shall conduct audits necessary to ensure compliance with this paragraph.

(f) Each greyhound racing permitholder conducting live

Page 61 of 122

PCS for HB 7109

1561

1562

1563

1564

1565

1566

1567

1568

1569

1570

1571

1572

1573

1574

1575

1576

1577

1578

1579

1580

1581

1582

1583

1584

1585

1586

racing shall, during the permitholder's race meet, supply kennel operators and the Division of Pari-Mutuel Wagering with a weekly report showing purses paid on live greyhound races and all greyhound intertrack and simulcast broadcasts, including both as a guest and a host together with the handle or commission calculations on which such purses were paid and the transmission costs of sending the simulcast or intertrack broadcasts, so that the kennel operators may determine statutory and contractual compliance.

- racing shall make direct payment of purses to the greyhound owners who have filed with such permitholder appropriate federal taxpayer identification information based on the percentage amount agreed upon between the kennel operator and the greyhound owner.
- (h) At the request of a majority of kennel operators under contract with a greyhound <u>racing</u> permitholder <u>conducting live</u> <u>racing</u>, the permitholder shall make deductions from purses paid to each kennel operator electing such deduction and shall make a direct payment of such deductions to the local association of greyhound kennel operators formed by a majority of kennel operators under contract with the permitholder. The amount of the deduction shall be at least 1 percent of purses, as determined by the local association of greyhound kennel operators. No Deductions may <u>not</u> be taken pursuant to this paragraph without a kennel operator's specific approval before

Page 62 of 122

PCS for HB 7109

or after the effective date of this act.

(2)(3) For the purpose of this section, the term "live handle" means the handle from wagers placed at the permitholder's establishment on the live greyhound races conducted at the permitholder's establishment.

Section 22. Section 550.09515, Florida Statutes, is amended to read:

550.09515 Thoroughbred $\underline{\text{racing}}$ $\underline{\text{horse}}$ taxes; abandoned interest in a permit for nonpayment of taxes.—

- (1) Pari-mutuel wagering at thoroughbred horse racetracks in this state is an important business enterprise, and taxes derived therefrom constitute a part of the tax structure which funds operation of the state. Thoroughbred horse permitholders should pay their fair share of these taxes to the state. This business interest should not be taxed to such an extent as to cause any racetrack which is operated under sound business principles to be forced out of business. Due to the need to protect the public health, safety, and welfare, the gaming laws of the state provide for the thoroughbred horse industry to be highly regulated and taxed. The state recognizes that there exist identifiable differences between thoroughbred horse permitholders based upon their ability to operate under such regulation and tax system and at different periods during the year.
- (2)(a) The tax on handle for live thoroughbred horserace performances shall be 0.5 percent.

Page 63 of 122

PCS for HB 7109

- (b) For purposes of this section, the term "handle" shall have the same meaning as in s. 550.0951, and shall not include handle from intertrack wagering.
- thoroughbred racing horse permitholder that fails to make payments due pursuant to this chapter, ch. 551, or s. 849.086 for more than 24 consecutive months who does not pay tax on handle for live thoroughbred horse performances for a full schedule of live races during any 2 consecutive state fiscal years shall be void and shall escheat to and become the property of the state unless such failure to operate and pay tax on handle was the direct result of fire, strike, war, or other disaster or event beyond the ability of the permitholder to control. Financial hardship to the permitholder does shall not, in and of itself, constitute just cause for failure to operate and pay tax on handle. A permit revoked under this subsection is void and may not be reissued.
- (b) In order to maximize the tax revenues to the state, the division shall reissue an escheated thoroughbred horse permit to a qualified applicant pursuant to the provisions of this chapter as for the issuance of an initial permit. However, the provisions of this chapter relating to referendum requirements for a pari-mutuel permit shall not apply to the reissuance of an escheated thoroughbred horse permit. As specified in the application and upon approval by the division of an application for the permit, the new permitholder shall be

Page 64 of 122

PCS for HB 7109

authorized to operate a thoroughbred horse facility anywhere in the same county in which the escheated permit was authorized to be operated, notwithstanding the provisions of s. 550.054(2) relating to mileage limitations.

- (4) In the event that a court of competent jurisdiction determines any of the provisions of this section to be unconstitutional, it is the intent of the Legislature that the provisions contained in this section shall be null and void and that the provisions of s. 550.0951 shall apply to all thoroughbred horse permitholders beginning on the date of such judicial determination. To this end, the Legislature declares that it would not have enacted any of the provisions of this section individually and, to that end, expressly finds them not to be severable.
- (5) Notwithstanding the provisions of s. 550.0951(3)(c), the tax on handle for intertrack wagering on rebroadcasts of simulcast horseraces is 2.4 percent of the handle; provided however, that if the guest track is a thoroughbred track located more than 35 miles from the host track, the host track shall pay a tax of .5 percent of the handle, and additionally the host track shall pay to the guest track 1.9 percent of the handle to be used by the guest track solely for purses. The tax shall be deposited into the Pari-mutuel Wagering Trust Fund.
- (6) A credit equal to the amount of contributions made by a thoroughbred <u>racing</u> permitholder during the taxable year directly to the Jockeys' Guild or its health and welfare fund to

Page 65 of 122

PCS for HB 7109

be used to provide health and welfare benefits for active, disabled, and retired Florida jockeys and their dependents pursuant to reasonable rules of eligibility established by the Jockeys' Guild is allowed against taxes on live handle due for a taxable year under this section. A thoroughbred racing permitholder may not receive a credit greater than an amount equal to 1 percent of its paid taxes for the previous taxable year.

performances on its 2001-2002 license, failure to pay tax on handle for a full schedule of live races for those performances in the 2001-2002 fiscal year does not constitute failure to pay taxes on handle for a full schedule of live races in a fiscal year for the purposes of subsection (3). This subsection may not be construed as forgiving a thoroughbred permitholder from paying taxes on performances conducted at its facility pursuant to its 2001-2002 license other than for failure to operate all performances on its 2001-2002 license. This subsection expires July 1, 2003.

Section 23. Paragraph (a) of subsection (2) of section 550.105, Florida Statutes, is amended to read:

550.105 Occupational licenses of racetrack employees; fees; denial, suspension, and revocation of license; penalties and fines.—

(2) (a) The following licenses shall be issued to persons or entities with access to the backside, racing animals, jai

Page 66 of 122

PCS for HB 7109

alai players' room, jockeys' room, drivers' room, totalisator room, the mutuels, or money room, or to persons who, by virtue of the position they hold, might be granted access to these areas or to any other person or entity in one of the following categories and with fees not to exceed the following amounts for any 12-month period:

- 1. Business licenses: any business such as a vendor, contractual concessionaire, contract kennel, business owning racing animals, trust or estate, totalisator company, stable name, multijurisdictional simulcasting and interactive wagering totalisator hub, or other fictitious name: \$50.
- 2. Professional occupational licenses: professional persons with access to the backside of a racetrack or players' quarters in jai alai such as trainers, officials, veterinarians, doctors, nurses, EMT's, jockeys and apprentices, drivers, jai alai players, owners, trustees, directors of a multijurisdictional simulcasting and interactive wagering totalisator hub or any management or officer or director or shareholder or any other professional-level person who might have access to the jockeys' room, the drivers' room, the backside, racing animals, kennel compound, or managers or supervisors requiring access to mutuels machines, the money room, or totalisator equipment: \$40.
- 3. General occupational licenses: general employees with access to the jockeys' room, the drivers' room, racing animals, the backside of a racetrack or players' quarters in jai alai,

Page 67 of 122

PCS for HB 7109

such as grooms, kennel helpers, leadouts, pelota makers, cesta makers, or ball boys, or a practitioner of any other occupation who would have access to the animals, the backside, or the kennel compound, or who would provide the security or maintenance of these areas, or mutuel employees, totalisator employees, money-room employees, or any employee with access to mutuels machines, the money room, or totalisator equipment or who would provide the security or maintenance of these areas, or any employees of a multijurisdictional simulcasting and interactive wagering totalisator hub: \$10.

17531754

1755

1756

1757

1743

1744

1745

1746

1747

1748

1749

1750

17511752

The individuals and entities that are licensed under this paragraph require heightened state scrutiny, including the submission by the individual licensees or persons associated with the entities described in this chapter of fingerprints for a Federal Bureau of Investigation criminal records check.

17581759

Section 24. Section 550.1625, Florida Statutes, is amended to read:

The operation of a greyhound dog track and legalized

17611762

1760

550.1625 Greyhound racing dogracing; taxes.-

17631764

1765

privilege and is an operation that requires strict supervision and regulation in the best interests of the state. Pari-mutuel

pari-mutuel betting at greyhound dog tracks in this state is a

1766

wagering at greyhound dog tracks in this state is a substantial

1767

business, and taxes derived therefrom constitute part of the tax

1768

structures of the state and the counties. The operators of

Page 68 of 122

PCS for HB 7109

greyhound dog tracks should pay their fair share of taxes to the state; at the same time, this substantial business interest should not be taxed to such an extent as to cause a track that is operated under sound business principles to be forced out of business.

(2) A permitholder that conducts a greyhound race dograce meet under this chapter must pay the daily license fee, the admission tax, the breaks tax, and the tax on pari-mutuel handle as provided in s. 550.0951 and is subject to all penalties and sanctions provided in s. 550.0951(6).

Section 25. <u>Section 550.1647, Florida Statutes, is</u> repealed.

Section 26. Section 550.1648, Florida Statutes, is amended to read:

550.1648 Greyhound adoptions.-

- (1) A greyhound racing Each dogracing permitholder that conducts live racing at operating a greyhound racing dogracing facility in this state shall provide for a greyhound adoption booth to be located at the facility.
- (1) (a) The greyhound adoption booth must be operated on weekends by personnel or volunteers from a bona fide organization that promotes or encourages the adoption of greyhounds pursuant to s. 550.1647. Such bona fide organization, as a condition of adoption, must provide sterilization of greyhounds by a licensed veterinarian before relinquishing custody of the greyhound to the adopter. The fee for

Page 69 of 122

PCS for HB 7109

sterilization may be included in the cost of adoption. As used in this section, the term "weekend" includes the hours during which live greyhound racing is conducted on Friday, Saturday, or Sunday, and the term "bona fide organization that promotes or encourages the adoption of greyhounds" means an organization that provides evidence of compliance with chapter 496 and possesses a valid exemption from federal taxation issued by the Internal Revenue Service. Information pamphlets and application forms shall be provided to the public upon request.

- (b) In addition, The kennel operator or owner shall notify the permitholder that a greyhound is available for adoption and the permitholder shall provide information concerning the adoption of a greyhound in each race program and shall post adoption information at conspicuous locations throughout the greyhound racing dogracing facility. Any greyhound that is participating in a race and that will be available for future adoption must be noted in the race program. The permitholder shall allow greyhounds to be walked through the track facility to publicize the greyhound adoption program.
- (2) In addition to the charity days authorized under s. 550.0351, a greyhound racing permitholder may fund the greyhound adoption program by holding a charity racing day designated as "Greyhound Adopt-A-Pet Day." All profits derived from the operation of the charity day must be placed into a fund used to support activities at the racing facility which promote the adoption of greyhounds. The division may adopt rules for

Page 70 of 122

PCS for HB 7109

administering the fund. Proceeds from the charity day authorized in this subsection may not be used as a source of funds for the purposes set forth in s. 550.1647.

- (3)(a) Upon a violation of this section by a permitholder or licensee, the division may impose a penalty as provided in s. 550.0251(10) and require the permitholder to take corrective action.
- (b) A penalty imposed under s. 550.0251(10) does not exclude a prosecution for cruelty to animals or for any other criminal act.

Section 27. Section 550.1752, Florida Statutes, is created to read:

550.1752 Thoroughbred purse supplement program.-

- (1) The thoroughbred purse supplement program is created in the Division of Pari-mutuel Wagering for the purpose of maintaining an active and viable live thoroughbred racing, owning, and breeding industry in this state. The program shall be funded by cardroom net proceeds contributed pursuant to s. 849.086(13). Payments available for the program shall be calculated on a monthly basis until such time as the division determines that sufficient funds are available for allocation.
- (2) The division shall adopt by rule the form to be used by a thoroughbred racing permitholder for applying to receive funds from the program to be used to supplement purses for its live racing meet.
 - (3) The division shall apportion the purse supplement

Page 71 of 122

PCS for HB 7109

funds to all applicants on a pro rata basis based upon the number of days of live performances to be conducted by applicants pursuant to their annual racing licenses.

- (4) If a day of live performances is not conducted by a thoroughbred racing permitholder that has received funds pursuant to this section for that day of live performances, the thoroughbred racing permitholder failing to conduct the day of live performances shall return the purse supplement fund allocated for that day to the division, and the division shall reapportion such amount based on the number of remaining days of live performances to be conducted during the state fiscal year.
- (5) Purse supplement funds under this section are intended to enhance the total purses paid per race day in comparison to the purses paid by a permitholder in the prior state fiscal year and to encourage live thoroughbred racing in this state from May through November of each year. A thoroughbred racing permitholder may not receive purse supplement funds under this section unless it has an agreement to this effect with the Florida Horsemen's Benevolent and Protective Association, Inc., or the association representing a majority of the horse owners and trainers conducting racing at the permitholder's pari-mutuel facility, for purses to be paid in its upcoming licensed meet.
- (6) The division may adopt rules necessary to implement this section.
- Section 28. Section 550.2416, Florida Statutes, is created to read:

Page 72 of 122

PCS for HB 7109

1873	550.2416 Reporting of racing greyhound injuries									
1874	(1) An injury to a racing greyhound which occurs while the									
1875	greyhound is located in this state must be reported on a form									
1876	adopted by the division within 7 days after the date on which									
1877	the injury occurred or is believed to have occurred. The									
1878	presence of cocaine found in a racing greyhound shall be									
1879	considered an injury under this section. The division may adopt									
1880	rules defining the term "injury."									
1881	(2) The form shall be completed and signed under oath or									
1882	affirmation by the:									
1883	(a) Racetrack veterinarian or director of racing, if the									
1884	injury occurred at the racetrack facility; or									
1885	(b) Owner, trainer, or kennel operator who had knowledge									
1886	of the injury, if the injury occurred at a location other than									
1887	the racetrack facility, including during transportation.									
1888	(3) The division may fine, suspend, or revoke the license									
1889	of any individual who knowingly violates this section or who									
1890	intentionally causes an injury to a racing greyhound.									
1891	(4) The form must include the following:									
1892	(a) The greyhound's registered name, right-ear and left-									
1893	ear tattoo numbers, and, if any, the microchip manufacturer and									
1894	number.									
1895	(b) The name, business address, and telephone number of									
1896	the greyhound owner, the trainer, and the kennel operator.									
1897	(c) The color, weight, and sex of the greyhound.									
1898	(d) The specific type and bodily location of the injury,									

Page 73 of 122

PCS for HB 7109

1899	the cause of the injury, and the estimated recovery time from										
1900	the injury.										
1901	(e) If the injury occurred when the greyhound was racing:										
1902	1. The racetrack where the injury occurred;										
1903	2. The distance, grade, race, and post position of the										
1904	greyhound when the injury occurred; and										
1905	3. The weather conditions, time, and track conditions when										
1906	the injury occurred.										
1907	(f) If the injury occurred when the greyhound was not										
1908	racing:										
1909	1. The location where the injury occurred; and										
1910	2. The circumstances surrounding the injury.										
1911	(g) Other information that the division determines is										
1912	necessary to identify injuries to racing greyhounds in this										
1913	state.										
1914	(5) An injury form created pursuant to this section must										
1915	be maintained as a public record by the division for at least 7										
1916	years after the date it was received.										
1917	(6) A licensee of the department who knowingly makes a										
1918	false statement concerning an injury or fails to report an										
1919	injury is subject to disciplinary action under this chapter or										
1920	chapters 455 and 474.										
1921	(7) This section does not apply to injuries to a service										
1922	animal, personal pet, or greyhound that has been adopted as a										
1923	pet.										

Page 74 of 122

The division shall adopt rules to implement this

PCS for HB 7109

1924

1925 section.

1926

1927

1928

1929

1930

1931

19321933

1934

1935

1936

1937

1938

1939

1940

1941

1942

1943

1944

1945

1946

1947

1948

1949

1950

Section 29. Subsection (1) of section 550.26165, Florida Statutes, is amended to read:

550.26165 Breeders' awards.-

The purpose of this section is to encourage the agricultural activity of breeding and training racehorses in this state. Moneys dedicated in this chapter for use as breeders' awards and stallion awards are to be used for awards to breeders of registered Florida-bred horses winning horseraces and for similar awards to the owners of stallions who sired Florida-bred horses winning stakes races, if the stallions are registered as Florida stallions standing in this state. Such awards shall be given at a uniform rate to all winners of the awards, may shall not be greater than 20 percent of the announced gross purse, and may shall not be less than 15 percent of the announced gross purse if funds are available. In addition, at least no less than 17 percent, but not nor more than 40 percent, as determined by the Florida Thoroughbred Breeders' Association, of the moneys dedicated in this chapter for use as breeders' awards and stallion awards for thoroughbreds shall be returned pro rata to the permitholders that generated the moneys for special racing awards to be distributed by the permitholders to owners of thoroughbred horses participating in prescribed thoroughbred stakes races, nonstakes races, or both, all in accordance with a written agreement establishing the rate, procedure, and eligibility

Page 75 of 122

PCS for HB 7109

requirements for such awards entered into by the permitholder, the Florida Thoroughbred Breeders' Association, and the Florida Horsemen's Benevolent and Protective Association, Inc., except that the plan for the distribution by any permitholder located in the area described in s. 550.615(7) $\frac{550.615(9)}{}$ shall be agreed upon by that permitholder, the Florida Thoroughbred Breeders' Association, and the association representing a majority of the thoroughbred racehorse owners and trainers at that location. Awards for thoroughbred races are to be paid through the Florida Thoroughbred Breeders' Association, and awards for standardbred races are to be paid through the Florida Standardbred Breeders and Owners Association. Among other sources specified in this chapter, moneys for thoroughbred breeders' awards will come from the 0.955 percent of handle for thoroughbred races conducted, received, broadcast, or simulcast under this chapter as provided in s. 550.2625(3). The moneys for quarter horse and harness breeders' awards will come from the breaks and uncashed tickets on live quarter horse and harness horse racing performances and 1 percent of handle on intertrack wagering. The funds for these breeders' awards shall be paid to the respective breeders' associations by the permitholders conducting the races.

Section 30. Subsection (8) of section 550.334, Florida Statutes, is amended to read:

- 550.334 Quarter horse racing; substitutions.-
- (8) To be eligible to conduct intertrack wagering, a

Page 76 of 122

PCS for HB 7109

1951

1952

1953

1954

1955

1956

1957

1958

1959

1960

1961

1962

1963

1964

1965

1966

1967

1968

1969

1970

1971

1972

1973

1974

1975

1976

quarter horse racing permitholder must have conducted a full schedule of live racing in accordance with an operating license in the 2015-2016 fiscal preceding year.

Section 31. Section 550.3345, Florida Statutes, is amended to read:

550.3345 Conversion of quarter horse permit to a Limited thoroughbred racing permit.—

- economic contribution of the important and long-standing economic contribution of the thoroughbred horse breeding industry to this state and the state's vested interest in promoting the continued viability of this agricultural activity, the state intends to provide a limited opportunity for the conduct of live thoroughbred horse racing with the net revenues from such racing dedicated to the enhancement of thoroughbred purses and breeders', stallion, and special racing awards under this chapter; the general promotion of the thoroughbred horse breeding industry; and the care in this state of thoroughbred horses retired from racing.
- converted from Notwithstanding any other provision of law, the holder of a quarter horse racing permit pursuant to chapter 2010-29, Laws of Florida, issued under s. 550.334 may only be held by, within 1 year after the effective date of this section, apply to the division for a transfer of the quarter horse racing permit to a not-for-profit corporation formed under state law to serve the purposes of the state as provided in subsection (1).

Page 77 of 122

PCS for HB 7109

The board of directors of the not-for-profit corporation must be composed comprised of 11 members, 4 of whom shall be designated by the applicant, 4 of whom shall be designated by the Florida Thoroughbred Breeders' Association, and 3 of whom shall be designated by the other 8 directors, with at least 1 of these 3 members being an authorized representative of another thoroughbred racing permitholder in this state. A limited thoroughbred racing The not-for-profit corporation shall submit an application to the division for review and approval of the transfer in accordance with s. 550.054. Upon approval of the transfer by the division, and notwithstanding any other provision of law to the contrary, the not-for-profit corporation may, within 1 year after its receipt of the permit, request that the division convert the quarter horse racing permit to a permit authorizing the holder to conduct pari-mutuel wagering meets of thoroughbred racing. Neither the transfer of the quarter horse racing permit nor its conversion to a limited thoroughbred permit shall be subject to the mileage limitation or the ratification election as set forth under s. 550.054(2) or s. 550.0651. Upon receipt of the request for such conversion, the division shall timely issue a converted permit. The converted permit and the not-for-profit corporation are shall be subject to the following requirements:

(a) All net revenues derived by the not-for-profit corporation under the thoroughbred horse racing permit, after the funding of operating expenses and capital improvements,

Page 78 of 122

PCS for HB 7109

2003

2004

2005

2006

2007

2008

2009

2010

2011

2012

2013

2014

2015

2016

2017

2018

2019

2020

2021

2022

2023

2024

2025

2026

2027

2028

shall be dedicated to the enhancement of thoroughbred purses and breeders', stallion, and special racing awards under this chapter; the general promotion of the thoroughbred horse breeding industry; and the care in this state of thoroughbred horses retired from racing.

- (b) From December 1 through April 30, no live thoroughbred racing may not be conducted under the permit on any day during which another thoroughbred racing permitholder is conducting live thoroughbred racing within 125 air miles of the not-for-profit corporation's pari-mutuel facility unless the other thoroughbred racing permitholder gives its written consent.
- (c) After the conversion of the quarter horse racing permit and the issuance of its initial license to conduct parimutuel wagering meets of thoroughbred racing, the not-for-profit corporation shall annually apply to the division for a license pursuant to s. 550.5251.
- (d) Racing under the permit may take place only at the location for which the original quarter horse racing permit was issued, which may be leased by the not-for-profit corporation for that purpose; however, the not-for-profit corporation may, without the conduct of any ratification election pursuant to s. 550.054(13) or s. 550.0651, move the location of the permit to another location in the same county or counties, if the permitholder's location is situated in such a manner that it is located in more than one county, provided that such relocation is approved under the zoning and land use regulations of the

Page 79 of 122

PCS for HB 7109

applicable county or municipality.

- (e) A limited thoroughbred racing No permit may not be transferred converted under this section is eligible for transfer to another person or entity.
- (3) Unless otherwise provided in this section, after conversion, the permit and the not-for-profit corporation shall be treated under the laws of this state as a thoroughbred racing permit and as a thoroughbred racing permitholder, respectively with the exception of s. 550.09515(3).

Section 32. Subsection (6) of section 550.3551, Florida Statutes, is amended to read:

550.3551 Transmission of racing and jai alai information; commingling of pari-mutuel pools.—

(6) (a) A maximum of 20 percent of the total number of races on which wagers are accepted by a greyhound permitholder not located as specified in s. 550.615(6) may be received from locations outside this state. A jai alai permitholder may not conduct fewer than eight live races or games on any authorized race day except as provided in this subsection. A thoroughbred racing permitholder may not conduct fewer than eight live races on any race day without the written approval of the Florida Thoroughbred Breeders' Association and the Florida Horsemen's Benevolent and Protective Association, Inc., unless it is determined by the department that another entity represents a majority of the thoroughbred racehorse owners and trainers in the state. A harness permitholder may conduct fewer than eight

Page 80 of 122

PCS for HB 7109

live races on any authorized race day, except that such permitholder must conduct a full schedule of live racing during its race meet consisting of at least eight live races per authorized race day for at least 100 days. Any harness racing horse permitholder that during the preceding racing season conducted a full schedule of live racing and any harness racing permitholder that has held an operating license for at least 5 years and a slot machine license for at least 5 years may, at any time during its current race meet, receive full-card broadcasts of harness horse races conducted at harness racetracks outside this state at the harness track of the permitholder and accept wagers on such harness races. With specific authorization from the division for special racing events, a permitholder may conduct fewer than eight live races or games when the permitholder also broadcasts out-of-state races or games. The division may not grant more than two such exceptions a year for a permitholder in any 12-month period, and those two exceptions may not be consecutive.

(b) Notwithstanding any other provision of this chapter, any harness racing horse permitholder accepting broadcasts of out-of-state harness horse races when such permitholder is not conducting live races must make the out-of-state signal available to all permitholders eligible to conduct intertrack wagering and shall pay to guest tracks located as specified in $\underline{s. ss. 550.615(6)}$ and $\underline{550.6305(9)}$ (d) 50 percent of the net proceeds after taxes and fees to the out-of-state host track on

Page 81 of 122

PCS for HB 7109

2081

2082

2083

2084

2085

2086

2087

2088

2089

2090

2091

2092

2093

2094

2095

2096

2097

2098

2099

2100

2101

2102

2103

2104

2105

2106

harness race wagers which they accept. If conducting live racing, a harness racing horse permitholder shall be required to pay into its purse account 50 percent of the net income retained by the permitholder on account of wagering on the out-of-state broadcasts received pursuant to this subsection. Nine-tenths of a percent of all harness wagering proceeds on the broadcasts received pursuant to this subsection shall be paid to the Florida Standardbred Breeders and Owners Association under the provisions of s. 550.2625(4) for the purposes provided therein.

Section 33. Subsection (1) of section 550.5251, Florida Statutes, is amended to read:

550.5251 Florida thoroughbred racing; certain permits; operating days.—

(1) Each thoroughbred <u>racing</u> permitholder shall annually, during the period commencing December 15 of each year and ending January 31 4 of the following year, file in writing with the division its application <u>pursuant to s. 550.01215</u> to conduct one or more thoroughbred racing meetings during the thoroughbred racing season commencing on the following July 1. Each application shall specify the number and dates of all performances that the permitholder intends to conduct during that thoroughbred racing season. On or before March 15 of each year, the division shall issue a license authorizing each permitholder to conduct performances on the dates specified in its application, if any. Up to February 28 of each year, each permitholder may request and shall be granted changes in its

Page 82 of 122

PCS for HB 7109

authorized performances; but thereafter, as a condition precedent to the validity of its license and its right to retain its permit, each permitholder must operate the full number of days authorized on each of the dates set forth in its license, if any.

Section 34. Subsections (2), (4), (6), (7), (8), (9), and (10) of section 550.615, Florida Statutes, are amended, and a new subsection (9) is added to that section, to read:

550.615 Intertrack wagering.-

- (2) (a) Any track or fronton licensed under this chapter may which in the preceding year conducted a full schedule of live racing is qualified to, at any time, receive broadcasts of any class of pari-mutuel race or game and accept wagers on such races or games conducted by any class of permitholders licensed under this chapter.
- (b) Any fronton licensed under this chapter which in the preceding year conducted a full schedule of live games may, at any time, receive broadcasts of any class of pari-mutuel race or game and accept wagers on such races or games conducted by any class of permitholders licensed under this chapter.
- (4) An In no event shall any intertrack wager may not be accepted on the same class of live races or games of any permitholder without the written consent of such operating permitholders conducting the same class of live races or games if the guest track is within the market area of such operating permitholder. A greyhound racing permitholder licensed under

Page 83 of 122

PCS for HB 7109

this chapter which accepts intertrack wagers on live greyhound signals is not required to obtain the written consent required by this subsection from any operating greyhound racing permitholder within its market area.

(6) Notwithstanding the provisions of subsection (3), in any area of the state where there are three or more horserace permitholders within 25 miles of each other, intertrack wagering between permitholders in said area of the state shall only be authorized under the following conditions: Any permitholder, other than a thoroughbred permitholder, may accept intertrack wagers on races or games conducted live by a permitholder of the same class or any harness permitholder located within such area and any harness permitholder may accept wagers on games conducted live by any jai alai permitholder located within its market area and from a jai alai permitholder located within the area specified in this subsection when no jai alai permitholder located within its market area is conducting live jai alai performances; any greyhound or jai alai permitholder may receive broadcasts of and accept wagers on any permitholder of the other class provided that a permitholder, other than the host track, of such other class is not operating a contemporaneous live performance within the market area.

(7) In any county of the state where there are only two permits, one for dogracing and one for jai alai, no intertrack wager may be taken during the period of time when a permitholder is not licensed to conduct live races or games without the

Page 84 of 122

PCS for HB 7109

2159

2160

2161

2162

2163

2164

2165

2166

2167

2168

2169

2170

2171

2172

2173

2174

2175

2176

2177

2178

2179

2180

2181

2182

2183

2184

written consent of the other permitholder that is conducting live races or games. However, if neither permitholder is conducting live races or games, either permitholder may accept intertrack wagers on horseraces or on the same class of races or games, or on both horseraces and the same class of races or games as is authorized by its permit.

(6) (8) In any three contiguous counties of the state where there are only three permitholders, all of which are greyhound racing permitholders, if a greyhound racing any permitholder leases the facility of another greyhound racing permitholder for the purpose of conducting all or any portion of the conduct of its live race meet pursuant to s. 550.475, such lessee may conduct intertrack wagering at its pre-lease permitted facility throughout the entire year, including while its live race meet is being conducted at the leased facility, if such permitholder has conducted a full schedule of live racing during the preceding fiscal year at its pre-lease permitted facility or at a leased facility, or combination thereof.

(7)(9) In any two contiguous counties of the state in which there are located only four active permits, one for thoroughbred horse racing, two for greyhound racing dogracing, and one for jai alai games, an no intertrack wager may not be accepted on the same class of live races or games of any permitholder without the written consent of such operating permitholders conducting the same class of live races or games if the guest track is within the market area of such operating

Page 85 of 122

PCS for HB 7109

2211 permitholder.

- (8) (10) All costs of receiving the transmission of the broadcasts shall be borne by the guest track; and all costs of sending the broadcasts shall be borne by the host track.
- (9) A greyhound racing permitholder operating pursuant to a current year's operating license, regardless of whether the permitholder specifies a full schedule of live performances, no live performances, or less than a full schedule of live performances, may accept wagers on live races conducted at out-of-state greyhound tracks only on the days when such permitholder receives all live races that any host track in this state makes available.

Section 35. Paragraphs (d), (f), and (g) of subsection (9) of section 550.6305, Florida Statutes, are amended to read:

550.6305 Intertrack wagering; guest track payments; accounting rules.—

- (9) A host track that has contracted with an out-of-state horse track to broadcast live races conducted at such out-of-state horse track pursuant to s. 550.3551(5) may broadcast such out-of-state races to any guest track and accept wagers thereon in the same manner as is provided in s. 550.3551.
- (d) Any permitholder located in any area of the state where there are only two permits, one for greyhound racing dogracing and one for jai alai, and any permitholder that converted its permit to conduct jai alai to a permit to conduct greyhound racing in lieu of jai alai under s. 550.054(14),

Page 86 of 122

PCS for HB 7109

Florida Statutes 2014, as created by s. 6, chapter 2009-170, Laws of Florida, may accept wagers on rebroadcasts of out-of-state thoroughbred horse races from an in-state thoroughbred horse racing permitholder and is shall not be subject to the provisions of paragraph (b) if such thoroughbred horse racing permitholder located within the area specified in this paragraph is both conducting live races and accepting wagers on out-of-state horseraces. In such case, the guest permitholder is shall be entitled to 45 percent of the net proceeds on wagers accepted at the guest facility. The remaining proceeds shall be distributed as follows: one-half shall be retained by the host facility and one-half shall be paid by the host facility as purses at the host facility.

where there are only two permits, one for greyhound racing dogracing and one for jai alai, and any permitholder that converted its permit to conduct jai alai to a permit to conduct greyhound racing in lieu of jai alai under s. 550.054(14),

Florida Statutes 2014, as created by s. 6, chapter 2009-170,

Laws of Florida, may accept wagers on rebroadcasts of out-of-state harness horse races from an in-state harness horse racing permitholder and may shall not be subject to the provisions of paragraph (b) if such harness horse racing permitholder located within the area specified in this paragraph is conducting live races. In such case, the guest permitholder is shall be entitled to 45 percent of the net proceeds on wagers accepted at the

Page 87 of 122

PCS for HB 7109

guest facility. The remaining proceeds shall be distributed as follows: one-half shall be retained by the host facility and one-half shall be paid by the host facility as purses at the host facility.

- (g)1.<u>a.</u> Any thoroughbred <u>racing</u> permitholder <u>that</u> which accepts wagers on a simulcast signal must make the signal available to any permitholder that is eligible to conduct intertrack wagering under the provisions of ss. 550.615-550.6345.
- <u>b.2.</u> Any thoroughbred <u>racing</u> permitholder <u>that</u> which accepts wagers on a simulcast signal received after 6 p.m. must make such signal available to any permitholder that is eligible to conduct intertrack wagering under the provisions of ss. 550.615-550.6345, including any permitholder located as specified in s. 550.615(6). Such guest permitholders are authorized to accept wagers on such simulcast signal, notwithstanding any other provision of this chapter to the contrary.
- c.3. Any thoroughbred racing permitholder that which accepts wagers on a simulcast signal received after 6 p.m. must make such signal available to any permitholder that is eligible to conduct intertrack wagering under the provisions of ss. 550.615-550.6345, including any permitholder located as specified in s. 550.615(9). Such guest permitholders are authorized to accept wagers on such simulcast signals for a number of performances not to exceed that which constitutes a

Page 88 of 122

PCS for HB 7109

full schedule of live races for a quarter horse <u>racing</u> permitholder pursuant to s. 550.002(11), notwithstanding any other provision of this chapter to the contrary, except that the <u>restrictions provided in s. 550.615(9)(a) apply to wagers on such simulcast signals</u>.

2. A No thoroughbred racing permitholder is not shall be required to continue to rebroadcast a simulcast signal to any in-state permitholder if the average per performance gross receipts returned to the host permitholder over the preceding 30-day period were less than \$100. Subject to the provisions of s. 550.615(4), as a condition of receiving rebroadcasts of thoroughbred simulcast signals under this paragraph, a guest permitholder must accept intertrack wagers on all live races conducted by all then-operating thoroughbred racing permitholders.

Section 36. Section 550.6308, Florida Statutes, is amended to read:

550.6308 Limited intertrack wagering license.—In recognition of the economic importance of the thoroughbred breeding industry to this state, its positive impact on tourism, and of the importance of a permanent thoroughbred sales facility as a key focal point for the activities of the industry, a limited license to conduct intertrack wagering is established to ensure the continued viability and public interest in thoroughbred breeding in Florida.

(1)(a) Upon application to the division on or before

Page 89 of 122

PCS for HB 7109

January 31 of each year, any person who that is licensed to conduct public sales of thoroughbred horses pursuant to s.

535.01 and, that has conducted at least 8 15 days of thoroughbred horse sales at a permanent sales facility in this state for at least 3 consecutive years, and that has conducted at least 1 day of nonwagering thoroughbred racing in this state, with a purse structure of at least \$250,000 per year for 2 consecutive years before such application, shall be issued a license, subject to the conditions set forth in this section, to conduct intertrack wagering at such a permanent sales facility on any day on which intertrack wagering is authorized pursuant to s. 550.615. during the following periods:

(a) Up to 21 days in connection with thoroughbred sales;

- (b) Between November 1 and May 8;
- (c) Between May 9 and October 31 at such times and on such days as any thoroughbred, jai alai, or a greyhound permitholder in the same county is not conducting live performances; provided that any such permitholder may waive this requirement, in whole or in part, and allow the licensee under this section to conduct intertrack wagering during one or more of the permitholder's live performances; and
- (d) During the weekend of the Kentucky Derby, the Preakness, the Belmont, and a Breeders' Cup Meet that is conducted before November 1 and after May 8.
- (b) Only No more than one such license may be issued, and the no such license may not be issued for a facility located

Page 90 of 122

PCS for HB 7109

within 50 miles of any <u>for-profit</u> thoroughbred <u>racing</u> permitholder's licensed track.

- (2) If more than one application is submitted for such license, the division shall determine which applicant shall be granted the license. In making its determination, the division shall grant the license to the applicant demonstrating superior capabilities, as measured by the length of time the applicant has been conducting thoroughbred sales within this state or elsewhere, the applicant's total volume of thoroughbred horse sales, within this state or elsewhere, the length of time the applicant has maintained a permanent thoroughbred sales facility in this state, and the quality of the facility.
- (3) The applicant must comply with the provisions of ss. 550.125 and 550.1815.
- (4) Intertrack wagering under this section may be conducted only on thoroughbred horse racing, except that intertrack wagering may be conducted on any class of pari-mutuel race or game conducted by any class of permitholders licensed under this chapter if all thoroughbred, jai alai, and greyhound permitholders in the same county as the licensee under this section give their consent.
- (4)(5) The licensee shall be considered a guest track under this chapter. The licensee shall pay 2.5 percent of the total contributions to the daily pari-mutuel pool on wagers accepted at the licensee's facility on greyhound races or jai alai games to the thoroughbred permitholder that is conducting

Page 91 of 122

PCS for HB 7109

live races for purses to be paid during its current racing meet.
If more than one thoroughbred permitholder is conducting live
races on a day during which the licensee is conducting
intertrack wagering on greyhound races or jai alai games, the
licensee shall allocate these funds between the operating
thoroughbred permitholders on a pro rata basis based on the
total live handle at the operating permitholders' facilities.
Section 37. Section 550.6347, Florida Statutes, is created
to read:

550.6347 Multijurisdictional simulcasting and wagering; fees; rules; distribution of moneys paid to commission.—

- (1) Notwithstanding any other provision of this chapter, the division shall develop and adopt rules to license and regulate all phases of operation of multijurisdictional simulcasting and interactive wagering totalisator hubs located in this state.
 - (2) As used in this chapter, the terms:
- (a) "Multijurisdictional simulcasting and interactive wagering totalisator hub" or "hub" means a business that, through a qualified subscriber-based service, conducts parimutuel wagering on the races that it simulcasts and other races that it carries in its wagering menu.
- (b) "Qualified subscriber-based service" means any information service or system that uses:
- 2391 <u>1. A device or combination of devices authorized and</u>
 2392 operated for placing, receiving, or otherwise making a wager,

Page 92 of 122

PCS for HB 7109

2367

2368

2369

2370

2371

2372

2373

2374

2375

2376

2377

2378

2379

2380

2381

2382

2383

2384

2385

2386

2387

2388

2389

2390

2393 and to which a person must subscribe in order to be able to place, receive, or otherwise make a bet or wager;

- $\underline{\text{2.}}$ An effective customer verification and age verification system; and
- 3. Appropriate security standards to prevent unauthorized access by any person who has not subscribed or who is a minor.
- (3) The following requirements must be met before commencement of business by or employment at a multijurisdictional simulcasting and interactive wagering totalisator hub located or conducting business in this state:
- (a) Each hub must obtain a business license pursuant to s. 550.105(2)(a)1.;
- (b) Each officer of a hub must obtain an occupational license pursuant to s. 550.105(2)(a)2.; and
- (c) Each employee of a hub located in this state must obtain an occupational license pursuant to s. 550.105(2)(a)3.
- (4) A multijurisdictional simulcasting and interactive wagering totalisator hub conducting business in the state shall pay a daily license fee of \$100 per operating day.
- (4), a multijurisdictional simulcasting and interactive wagering totalisator hub conducting business in the state shall pay a tax equal to one-half of 1 percent of total handle recorded by the totalisator system for wagers placed on pari-mutuel performances in this state. Such tax shall be paid in accordance with rules established by the division and shall be subject to the payment

Page 93 of 122

PCS for HB 7109

schedules and penalties set forth in s. 550.0951.

- (6) Except as otherwise provided in this section, parimutuel wagering through a hub is subject to the provisions of s. 849.01.
- (7) Pari-mutuel wagers placed through a hub may only be made within the enclosure of a pari-mutuel facility licensed under this chapter or through a device owned or leased for a period of at least 12 months by the person making the wager.

 Section 38 Section 551 101 Florida Statutes is amended.

Section 38. Section 551.101, Florida Statutes, is amended to read:

551.101 Slot machine gaming authorized.-Any licensed eligible facility pari-mutuel facility located in Miami-Dade County or Broward County existing at the time of adoption of s. 23, Art. X of the State Constitution that has conducted live racing or games during calendar years 2002 and 2003 may possess slot machines and conduct slot machine gaming at the location where the pari-mutuel permitholder is authorized to conduct pari-mutuel wagering activities pursuant to such permitholder's valid pari-mutuel permit or as otherwise authorized by law provided that a majority of voters in a countywide referendum have approved slot machines at such facility in the respective county. Notwithstanding any other provision of law, it is not a crime for a person to participate in slot machine gaming at a pari-mutuel facility licensed to possess slot machines and conduct slot machine gaming or to participate in slot machine gaming described in this chapter.

Page 94 of 122

PCS for HB 7109

2419

2420

2421

2422

2423

2424

2425

2426

2427

2428

2429

2430

2431

2432

2433

2434

2435

2436

2437

2438

2439

2440

2441

2442

2443

2444

Section 39. Subsections (4), (10), and (11) of section 551.102, Florida Statutes, are amended to read:

551.102 Definitions.—As used in this chapter, the term:

"Eligible facility" means a any licensed pari-mutuel facility located in Miami-Dade County or Broward County existing at the time of adoption of s. 23, Art. X of the State Constitution that has conducted live racing or games during calendar years 2002 and 2003 and has been approved by a majority of voters in a countywide referendum to have slot machines at such facility in the respective county; any licensed pari-mutuel facility located within a county as defined in s. 125.011, provided such facility has conducted live racing for 2 consecutive calendar years immediately preceding its application for a slot machine license, pays the required license fee, and meets the other requirements of this chapter; or any licensed pari-mutuel facility in any other county in which a majority of voters have approved slot machines at such facilities in a countywide referendum which was held before the effective date of this act or before January 1, 2017 held pursuant to a statutory or constitutional authorization after the effective date of this section in the respective county, provided the permitholder at such facility has conducted a full schedule of live racing for 2 consecutive calendar years immediately preceding its application for a slot machine license, pays the required license licensed fee, and meets the other requirements of this chapter. An eligible facility may not be located within

Page 95 of 122

PCS for HB 7109

2445

2446

2447

2448

2449

2450

2451

2452

2453

2454

2455

2456

2457

2458

2459

2460

2461

2462

2463

2464

2465

2466

2467

2468

2469

2470

2471		100	mile	es c	of th	ıe	Semin	ole	Har	d Roc	k	Hotel	and	Casino	-Tampa
2472	_	loca	ated	at	5223	3 (Drient	Roa	ad, '	ampa	,	Florid	da.		

- (10) "Slot machine license" means a license issued by the division authorizing a pari-mutuel permitholder to place and operate slot machines as provided by s. 23, Art. X of the State Constitution, the provisions of this chapter, and division rules.
- (11) "Slot machine licensee" means a pari-mutuel permitholder that who holds a slot machine license issued by the division pursuant to this chapter that authorizes such person to possess a slot machine within facilities specified in s. 23, Art. X of the State Constitution and allows slot machine gaming.

Section 40. Subsections (2) and (3), paragraph (c) of subsection (4), and paragraph (a) of subsection (10) of section 551.104, Florida Statutes, are amended to read:

551.104 License to conduct slot machine gaming.-

- (2) An application may be approved by the division only:
- (a) After the voters of the county where the applicant's facility is located have authorized by referendum slot machines within pari-mutuel facilities in that county; or
- (b) Pursuant to s. 551.1041 as specified in s. 23, Art. X of the State Constitution.
- (3) (a) A slot machine license may be issued only to a licensed pari-mutuel permitholder, and slot machine gaming may be conducted only at the eligible facility at which the permitholder is authorized under its valid pari-mutuel wagering

Page 96 of 122

PCS for HB 7109

2497 permit to conduct pari-mutuel wagering activities.

- (b) The division may not issue a slot machine license to any pari-mutuel permitholder if issuance of the license would trigger a reduction in revenue-sharing payments under the Gaming Compact between the Seminole Tribe of Florida and the State of Florida authorized pursuant to s. 285.710(3)(b).
- (c) The division may not issue a slot machine license to any pari-mutuel permitholder that includes, or previously included within its ownership group, an ultimate equitable owner that was also an ultimate equitable owner of a pari-mutuel permitholder whose permit was voluntarily or involuntarily surrendered, suspended, or revoked by the division within 10 years before the date of the permitholder's filling an application for a slot machine license.
- (4) As a condition of licensure and to maintain continued authority for the conduct of slot machine gaming, the slot machine licensee shall:
- or games, conduct no fewer than a full schedule of live racing or games as defined in s. 550.002(11). A permitholder's responsibility to conduct such number of live races or games shall be reduced by the number of races or games that could not be conducted due to the direct result of fire, war, hurricane, or other disaster or event beyond the control of the permitholder. The races or games may be conducted at the facility of the slot machine licensee or at another pari-mutuel

Page 97 of 122

PCS for HB 7109

facility leased pursuant to s. 550.3345.

- 1. A greyhound racing permitholder is exempt from the live racing requirement of this subsection if the permitholder conducted a full schedule of live racing for a period of at least 10 consecutive state fiscal years after the 2002-2003 state fiscal year.
- 2. Harness racing and quarter horse racing permitholders that have held an operating license for at least 5 years and either a slot machine license for at least 5 years or a cardroom license for at least 2 years are exempt from the live racing requirements of this subsection.
- 3. Thoroughbred racing permitholders that have had an operating license for at least 25 years, and that operated a slot machine facility and held a slot machine license for at least 5 years are exempt from the live racing requirements of this subsection.
- (10) (a) 1. Unless no live thoroughbred races are conducted at a licensee's pari-mutuel facility, a no slot machine license or renewal thereof may not shall be issued to an applicant holding a permit under chapter 550 to conduct pari-mutuel wagering meets of thoroughbred racing unless the applicant has on file with the division a binding written agreement between the applicant and the Florida Horsemen's Benevolent and Protective Association, Inc., governing the payment of purses on live thoroughbred races conducted at the licensee's pari-mutuel facility. In addition, no slot machine license or renewal

Page 98 of 122

PCS for HB 7109

thereof shall be issued to such an applicant unless the applicant has on file with the division a binding written agreement between the applicant and the Florida Thoroughbred Breeders' Association, Inc., governing the payment of breeders', stallion, and special racing awards on live thoroughbred races conducted at the licensee's pari-mutuel facility. The agreement governing purses and the agreement governing awards may direct the payment of such purses and awards from revenues generated by any wagering or gaming the applicant is authorized to conduct under Florida law. All purses and awards shall be subject to the terms of chapter 550. All sums for breeders', stallion, and special racing awards shall be remitted monthly to the Florida Thoroughbred Breeders' Association, Inc., for the payment of awards subject to the administrative fee authorized in s. 550.2625(3).

2. Unless no live quarter horse races are conducted at a licensee's pari-mutuel facility, a no slot machine license or renewal thereof may not shall be issued to an applicant holding a permit under chapter 550 to conduct pari-mutuel wagering meets of quarter horse racing unless the applicant has on file with the division a binding written agreement between the applicant and the Florida Quarter Horse Racing Association or the association representing a majority of the horse owners and trainers at the applicant's eligible facility, governing the payment of purses on live quarter horse races conducted at the licensee's pari-mutuel facility. The agreement governing purses

Page 99 of 122

PCS for HB 7109

may direct the payment of such purses from revenues generated by any wagering or gaming the applicant is authorized to conduct under Florida law. All purses shall be subject to the terms of chapter 550.

Section 41. Section 551.1041, Florida Statutes, is created to read:

important and long-standing economic contribution of the parimutuel industry to this state as a whole and the state's vested interest in the revenue generated therefrom and promoting the continued viability of the important statewide agricultural activities it supports, the Legislature finds that it is in the state's interest to provide a limited opportunity for the establishment of an additional slot machine license to be awarded and renewed annually to a pari-mutuel permitholder located within a county as defined in s. 125.011.

- (1) (a) Within 120 days after the effective date of this section, any pari-mutuel permitholder that is located within a county as defined in s. 125.011 and is not a slot machine licensee may apply pursuant to s. 551.104 to the division for the slot machine license created by this section.
- (b) The application shall be accompanied by a license application fee of \$2 million, which shall be nonrefundable. The license application fee shall be deposited into the Pari-mutuel Wagering Trust Fund of the Department of Business and Professional Regulation to be used by the division and the

Page 100 of 122

PCS for HB 7109

Department of Law Enforcement for investigations, regulation of slot machine gaming, and enforcement of slot machine gaming provisions under this chapter. If the applicant is awarded the license created pursuant to this section, the license application fee shall be credited to the license fee required pursuant to s. 551.106.

- (2) If there is more than one applicant for the slot machine license created pursuant to this section, the division shall award the license to the applicant that best meets the selection criteria, as demonstrated in the application. The selection criteria include:
- (a) The extent to which the proposed slot machine facility will increase tourism, generate jobs, provide revenue to the local economy, and provide revenue to the state as evidenced by an evaluation by the applicant and its partners of their history in constructing premier facilities with high-quality amenities that complement the local tourism industry.
- (b) The financial history of the applicant and its partners in making capital investments in slot machine gaming and pari-mutuel facilities and its bona fide plan for future community involvement and financial investment.
- (c) The history of investment by the applicant and its partners in the communities in which its previous developments have been located.
- (d) The applicant's ability to purchase and maintain a surety bond in an amount established by the division, to

Page 101 of 122

PCS for HB 7109

represent the projected annual revenues generated by the proposed slot machine facility.

- (e) The applicant's ability to demonstrate the financial wherewithal to adequately capitalize, develop, construct, maintain, and operate a proposed slot machine facility, which shall cost at least \$100 million in costs related to construction and development of the facility, excluding purchase price and costs associated with acquisition of real property and any impact fees. This shall include the ability to meet any projected secured and unsecured debt obligations and complete construction within 2 years after the awarding of the slot machine license.
- (f) The applicant's ability to implement a program to train and employ residents of South Florida at the facility and contract with local business owners for goods and services.
- (g) The ability of the applicant and its partners to generate substantial gross gaming revenue after the award of gaming licenses.
- (3) (a) Notwithstanding the timelines set forth in s.

 120.60, the division shall complete its evaluation within 120 days after the submission of applications and notice its intent to award the license within that timeframe. Within 30 days after the submission of an application, the division shall issue, if necessary, requests for additional information or any notices of deficiency to the license applicant. The applicant shall have 15 days to respond to such requests or notices. Failure to properly

Page 102 of 122

PCS for HB 7109

respond and provide sufficient information or correct identified deficiencies shall serve as grounds for denial of the application.

- (b) Any protest of the intent to award the license must be submitted within 3 business days after the issuance of the notice of intent to award and shall be forwarded to the Division of Administrative Hearings which shall conduct an administrative hearing before an administrative law judge regarding the protest within 30 days after the notice of intent to award. The administrative law judge shall issue a proposed recommended order not more than 30 days after the completion of the final hearing. The division shall issue a final order within 15 days after receipt of the proposed recommended order.
- (c) Any appeal of a license denial shall be made to the First District Court of Appeals.
- (4) The division may adopt emergency rules pursuant to s.

 120.54 to implement this section. The Legislature finds that

 such emergency rulemaking power is necessary for the

 preservation of the rights and welfare of the people in order to

 provide additional funds to benefit the public. The Legislature

 further finds that the unique nature of the competitive award of

 the slot machine license under this section requires that the

 department respond as quickly as is practicable to implement

 these provisions. Therefore, in adopting such emergency rules,

 the division need not make the findings required by s.

 120.54(4)(a). Emergency rules adopted under this section are

Page 103 of 122

PCS for HB 7109

exempt from s. 120.54(4)(c) and shall remain in effect until replaced by other emergency rules or by rules adopted under the nonemergency rulemaking procedures of the Administrative Procedure Act.

Section 42. Section 551.1044, Florida Statutes, is created to read:

- 551.1044 House banked blackjack table games authorized.-
- (1) Notwithstanding the provisions of s. 849.086(12)(a), the pari-mutuel permitholder of each of the following pari-mutuel wagering facilities may operate up to 25 house banked blackjack table games at the permitholder's facility:
- (a) A licensed pari-mutuel facility at which live racing or games were conducted during calendar years 2002 and 2003, located in Miami-Dade County or Broward County, and authorized for slot machine licensure pursuant to s. 23, Art. X of the State Constitution.
- (b) A licensed pari-mutuel facility where a full schedule of live racing has been conducted for 2 consecutive calendar years immediately preceding its application for a slot machine license and located within a county as defined in s. 125.011.
- (2) Wagers on authorized house banked blackjack table games may not exceed \$25 for each initial two card wager.

 Subsequent wagers on splits or double downs are allowed but may not exceed the initial two card wager. Single side bets of not more than \$5 are allowed.
 - (3) Each pari-mutuel permitholder offering banked

Page 104 of 122

PCS for HB 7109

blackjack pursuant to this section shall pay a tax to the state of 10 percent of the blackjack operation's monthly gross receipts. All provisions of s. 849.086(13), except s. 849.086(13)(b), shall apply to taxes owed pursuant to this section.

Section 43. Subsections (3) through (5) of section 551.106, Florida Statutes, are renumbered as subsections (4) through (6), respectively, paragraph (a) of subsection (2) is amended, and a new subsection (3) is added to that section, to read:

- 551.106 License fee; tax rate; penalties.-
- (2) TAX ON SLOT MACHINE REVENUES.-
- (a) The tax rate on slot machine revenues at each facility shall be 35 percent. Effective January 1, 2017, the tax rate on slot machine revenues at each facility shall be 30 percent.

 However, notwithstanding s. 551.114(1), a slot machine licensee offering slot machines for play that agrees and elects to permanently reduce its authorized total number of slot machines to up to 1,700 and attests to do so in its annual license renewal application approved by the division on or before July 1, 2017, shall have a tax rate on slot machine revenues at such facility of 25 percent effective July 1, 2017. Slot machine licensees licensed after the effective date of this act shall have a tax rate on slot machine revenues at such facility of 25 percent, effective July 1, 2017. If, during any state fiscal year, the aggregate amount of tax paid to the state by all slot

Page 105 of 122

PCS for HB 7109

machine licensees in Broward and Miami-Dade Counties is less than the aggregate amount of tax paid to the state by all slot machine licensees in the 2008-2009 fiscal year, each slot machine licensee shall pay to the state within 45 days after the end of the state fiscal year a surcharge equal to its pro rata share of an amount equal to the difference between the aggregate amount of tax paid to the state by all slot machine licensees in the 2008-2009 fiscal year and the amount of tax paid during the fiscal year. Each licensee's pro rata share shall be an amount determined by dividing the number 1 by the number of facilities licensed to operate slot machines during the applicable fiscal year, regardless of whether the facility is operating such machines.

- (3) NEW FACILITY GUARANTEE FEE.—
- (a) For any slot machine licensee located within a county that has conducted a successful slot machine referendum after January 1, 2012, the following aggregate tax payment guarantee shall apply in a pro rata amount pursuant to paragraph (b):
- 1. Thirty-four million seven hundred fifty thousand dollars for the 2018-2019 fiscal year;
- 2. Sixty-nine million five hundred thousand dollars for the 2019-2020 fiscal year; and
- 3. One hundred twenty-one million four hundred thousand dollars for the 2020-2021 fiscal year and for every fiscal year thereafter.
 - (b) Each slot machine licensee located within a county

Page 106 of 122

PCS for HB 7109

that has conducted a successful slot machine referendum after

January 1, 2012, shall pay to the state within 45 days after the

end of the state fiscal year a surcharge equal to its pro rata

share of an amount equal to the difference between the tax

payment guarantee in paragraph (a) and the aggregate amount of

tax paid during the immediately preceding fiscal year by all

slot machine licensees located within counties which conducted a

successful slot machine referendum after January 1, 2012. No

such slot machine licensee shall be responsible for a pro rata

share of more than 25 percent of the aggregate difference, if

applicable, in any fiscal year.

Section 44. Subsections (1), (2), and (4) of section 551.114, Florida Statutes, are amended to read:

551.114 Slot machine gaming areas.

- available for play by all slot machine licensees in this state may not exceed 16,000. If the statewide cumulative total exceeds 16,000, each facility making slots available for play must reduce the total number of slots at the facility on a pro rata basis, based on the facility's share of the total slots made available for play in this state. The division may adopt rules to administer this paragraph.
- (b) Except as provided in paragraph (c) or s. 551.106(2) (a), a slot machine licensee may make available for play up to 1,850 2,000 slot machines within the property of the facilities of the slot machine licensee.

Page 107 of 122

PCS for HB 7109

- (c) Effective January 1, 2017, a slot machine licensee operating at a facility authorized after the effective date of this act may make available for play up to 1,000 slot machines. Effective October 1, 2018, such licensee may make available for play up to 1,500 slot machines.
- (2) The slot machine licensee shall display pari-mutuel races or games within the designated slot machine gaming areas and offer patrons within the designated slot machine gaming areas the ability to engage in pari-mutuel wagering on <u>any</u> live, intertrack, and simulcast races conducted or offered to patrons of the licensed facility.
- within the current live gaming facility or in an existing building that <u>is</u> must be contiguous and connected to the live gaming facility. If a designated slot machine gaming area is to be located in a building that is to be constructed, that new building must be contiguous and connected to the live gaming facility. For any permitholder licensed to conduct pari-mutuel activities pursuant to a current year's operating license that does not require live performances, designated slot machine gaming areas may be located only within the eligible facility licensed pursuant to s. 551.104.

Section 45. Section 551.116, Florida Statutes, is amended to read:

551.116 Days and hours of operation.—Slot machine gaming areas may be open daily throughout the year. The slot machine

Page 108 of 122

PCS for HB 7109

gaming areas may be open a cumulative amount of 18 hours per day on Monday through Friday and 24 hours per day on Saturday and Sunday and on those holidays specified in s. 110.117(1).

Section 46. Section 551.121, Florida Statutes, is amended to read:

- 551.121 Prohibited activities and devices; exceptions.-
- (1) Complimentary or reduced-cost alcoholic beverages may not be served to persons playing a slot machine. Alcoholic beverages served to persons playing a slot machine shall cost at least the same amount as alcoholic beverages served to the general public at a bar within the facility.
- (1)(2) A slot machine licensee may not make any loan, provide credit, or advance cash in order to enable a person to play a slot machine. This subsection shall not prohibit automated ticket redemption machines that dispense cash resulting from the redemption of tickets from being located in the designated slot machine gaming area of the slot machine licensee.
- (3) A slot machine licensee may not allow any automated teller machine or similar device designed to provide credit or dispense cash to be located within the designated slot machine gaming areas of a facility of a slot machine licensee.
- $\underline{(2)}$ (a) A slot machine licensee may not accept or cash any check from any person within the designated slot machine gaming areas of a facility of a slot machine licensee.
 - (b) Except as provided in paragraph (c) for employees of

Page 109 of 122

PCS for HB 7109

the facility, a slot machine licensee or operator shall not accept or cash for any person within the property of the facility any government-issued check, third-party check, or payroll check made payable to an individual.

- (c) Outside the designated slot machine gaming areas, a slot machine licensee or operator may accept or cash a check for an employee of the facility who is prohibited from wagering on a slot machine under s. 551.108(5), a check made directly payable to a person licensed by the division, or a check made directly payable to the slot machine licensee or operator from:
 - 1. A pari-mutuel patron; or
- 2. A pari-mutuel facility in this state or in another state.
- (d) Unless accepting or cashing a check is prohibited by this subsection, nothing shall prohibit a slot machine licensee or operator from accepting and depositing in its accounts checks received in the normal course of business.
- (3)(5) A slot machine, or the computer operating system linking the slot machine, may be linked by any means to any other slot machine or computer operating system within the facility of a slot machine licensee. A progressive system may be used in conjunction with slot machines between licensed facilities in Florida or in other jurisdictions.
- (4) (6) A slot machine located within a licensed facility shall accept only tickets or paper currency or an electronic payment system for wagering and return or deliver payouts to the

Page 110 of 122

PCS for HB 7109

player in the form of tickets that may be exchanged for cash, merchandise, or other items of value. The use of coins, credit or debit cards, tokens, or similar objects is specifically prohibited. However, an electronic credit system may be used for receiving wagers and making payouts.

Section 47. Subsections (9) through (17) of section 849.086, Florida Statutes, are renumbered as subsections (10) through (18), respectively, and a new subsection (9) is added to that section, and subsection (2), paragraphs (a) and (b) of subsection (5), paragraph (b) of subsection (7), paragraphs (d) and (h) of present subsection (13), and present subsections (16) and (17) of that section are amended, to read:

849.086 Cardrooms authorized.-

- (2) DEFINITIONS.—As used in this section:
- (a) "Authorized game" means a game or series of games of poker, including designated player poker games, or dominoes which are played in conformance with this section and in which hands are ranked consistent with the definition of traditional poker hand rankings provided in the 1974 edition of Hoyle's Modern Encyclopedia of Card Games a nonbanking manner.
- (b) "Banking game" means a game in which the house is a participant in the game, taking on players, paying winners, and collecting from losers or in which the cardroom establishes a bank against which participants play. The term does not include a designated player poker game if played in accordance with this chapter and if hands are ranked consistent with the definition

Page 111 of 122

PCS for HB 7109

of traditional poker hand rankings provided in the 1974 edition of Hoyle's Modern Encyclopedia of Card Games.

- (c) "Cardroom" means a facility where authorized games are played for money or anything of value and to which the public is invited to participate in such games and charged a fee for participation by the operator of such facility. Authorized games and cardrooms do not constitute casino gaming operations.
- (d) "Cardroom management company" means any individual not an employee of the cardroom operator, any proprietorship, partnership, corporation, or other entity that enters into an agreement with a cardroom operator to manage, operate, or otherwise control the daily operation of a cardroom.
- (e) "Cardroom distributor" means any business that distributes cardroom paraphernalia such as card tables, betting chips, chip holders, dominoes, dominoes tables, drop boxes, banking supplies, playing cards, card shufflers, and other associated equipment to authorized cardrooms.
- (f) "Cardroom operator" means a licensed pari-mutuel permitholder which holds a valid permit and license issued by the division pursuant to chapter 550 and which also holds a valid cardroom license issued by the division pursuant to this section which authorizes such person to operate a cardroom and to conduct authorized games in such cardroom.
- (g) "Designated player" means the player identified as the player in the dealer position, seated at a traditional player position in a designated player poker game, who pays winning

Page 112 of 122

PCS for HB 7109

2913 players and collects from losing players, but is not required to cover all wagers.

- (h) "Designated player poker game" means a game consisting of at least three cards in which the players compare their cards only to the cards of the designated player, and in which hands are ranked consistent with the definition of traditional poker hand rankings provided in the 1974 edition of Hoyle's Modern Encyclopedia of Card Games.
- $\underline{\text{(i)}}_{\text{(g)}}$ "Division" means the Division of Pari-mutuel Wagering of the Department of Business and Professional Regulation.
- (j) (h) "Dominoes" means a game of dominoes typically played with a set of 28 flat rectangular blocks, called "bones," which are marked on one side and divided into two equal parts, with zero to six dots, called "pips," in each part. The term also includes larger sets of blocks that contain a correspondingly higher number of pips. The term also means the set of blocks used to play the game.
- $\underline{\text{(k)}}$ "Gross receipts" means the total amount of money received by a cardroom from any person for participation in authorized games.
- $\underline{\text{(1)}}$ "House" means the cardroom operator and all employees of the cardroom operator.
- (m) (k) "Net proceeds" means the total amount of gross receipts received by a cardroom operator from cardroom operations less direct operating expenses related to cardroom

Page 113 of 122

PCS for HB 7109

operations, including labor costs, admission taxes only if a separate admission fee is charged for entry to the cardroom facility, gross receipts taxes imposed on cardroom operators by this section, the annual cardroom license fees imposed by this section on each table operated at a cardroom, and reasonable promotional costs excluding officer and director compensation, interest on capital debt, legal fees, real estate taxes, bad debts, contributions or donations, or overhead and depreciation expenses not directly related to the operation of the cardrooms.

- (n) (1) "Rake" means a set fee or percentage of the pot assessed by a cardroom operator for providing the services of a dealer, table, or location for playing the authorized game.
- (o) (m) "Tournament" means a series of games that have more than one betting round involving one or more tables and where the winners or others receive a prize or cash award.
- (5) LICENSE REQUIRED; APPLICATION; FEES.—No person may operate a cardroom in this state unless such person holds a valid cardroom license issued pursuant to this section.
- (a) Only those persons holding a valid cardroom license issued by the division may operate a cardroom. A cardroom license may only be issued to a licensed pari-mutuel permitholder and an authorized cardroom may only be operated at the same facility at which the permitholder is authorized under its valid pari-mutuel wagering permit to conduct pari-mutuel wagering activities. An initial cardroom license shall be issued to a pari-mutuel permitholder only after its facilities are in

Page 114 of 122

PCS for HB 7109

place and after it conducts its first day of live racing or games, except for a summer jai alai permitholder receiving its initial cardroom license.

(b) 1. After the initial cardroom license is granted, the application for the annual license renewal shall be made in conjunction with the applicant's annual application for its pari-mutuel operating license. Except as provided in subparagraph 2., and except for any facility licensed in accordance with s. 551.1041, If a permitholder has operated a cardroom during any of the 3 previous fiscal years and fails include a renewal request for the operation of the cardroom in its annual application for license renewal, the permitholder may amend its annual application to include operation of the cardroom. in order for a cardroom license to be renewed the applicant must have requested, as part of its pari-mutuel annual operating license application, to conduct at least 90 percent of the total number of live performances conducted by such permitholder during either the state fiscal year in which its initial cardroom license was issued or the state fiscal year immediately prior thereto if the permitholder ran at least a full schedule of live racing or games in the prior year. Except as provided in subparagraphs 2., 3., and 4. and except for any facility licensed in accordance with s. 551.1041, If the application is for a harness permitholder cardroom, the applicant must have requested authorization to conduct a minimum of 140 live performances during the state fiscal year

Page 115 of 122

PCS for HB 7109

2965

2966

2967

2968

2969

2970

2971

2972

2973

2974

2975

2976

2977

2978

2979

2980

2981

2982

2983

2984

2985

2986

2987

2988

2989

2990

immediately prior thereto. if more than one permitholder is operating at a facility, each permitholder must have applied for a license to conduct a full schedule of live racing.

- 2. A greyhound racing permitholder is exempt from the live racing requirements of this subsection if it conducted a full schedule of live racing for a period of at least 10 consecutive state fiscal years after the 1996-1997 state fiscal year, or if it converted its permit to a permit to conduct greyhound racing after that fiscal year. However, as a condition of cardroom licensure, greyhound racing permitholders who are not conducting a full schedule of live racing must conduct intertrack wagering on thoroughbred signals, to the extent available, on each day of cardroom operation.
- 3. Harness racing and quarter horse racing permitholders that have held an operating license for at least 5 years and a cardroom license for at least 2 years are exempt from the live racing requirements of this subsection.
- 4. Thoroughbred racing permitholders that have had an operating license for at least 25 years, and that operated a slot machine facility and held a slot machine license for at least 5 years are exempt from the live racing requirements of this subsection.
 - (7) CONDITIONS FOR OPERATING A CARDROOM.-
- (b) Any cardroom operator may operate a cardroom at the pari-mutuel facility daily throughout the year, if the permitholder meets the requirements under paragraph (5)(b). The

Page 116 of 122

PCS for HB 7109

cardroom may be open a cumulative amount of 18 hours per day on Monday through Friday and 24 hours per day on Saturday and Sunday and on the holidays specified in s. 110.117(1).

- (9) DESIGNATED PLAYER POKER GAMES AUTHORIZED.-
- (a) The division may authorize a cardroom operator to offer designated player poker games as defined in this section.
- (b) The designated player must occupy a playing position at the table and may not be required to cover all wagers for players seated during a single game.
- (c) The cardroom operator may not serve as a designated player in any game. The cardroom operator may not have any direct or indirect financial or pecuniary interest in a designated player in any game.
- (d) Designated player poker games offered by a cardroom operator may not make up more than 50 percent of the total authorized game tables at the cardroom.
- (e) The division may only authorize cardroom operators to conduct designated player poker games if such games would not trigger a reduction in revenue-sharing payments under the Gaming Compact between the Seminole Tribe of Florida and the State of Florida.
 - $(14) \frac{(13)}{(13)}$ TAXES AND OTHER PAYMENTS.—
- (d)1. Each greyhound and jai alai permitholder that operates a cardroom facility and is licensed to conduct at least a full schedule of live racing or games shall use at least 4 percent of such permitholder's cardroom monthly gross receipts

Page 117 of 122

PCS for HB 7109

to supplement greyhound purses or jai alai prize money, respectively, during the permitholder's <u>current or</u> next ensuing pari-mutuel meet.

- 2. Each thoroughbred and harness horse racing permitholder that operates a cardroom facility and is not licensed to conduct at least a full schedule of live racing or games shall pay 4 percent of such permitholder's cardroom monthly gross receipts to the division for use in the thoroughbred purse supplement program established by s. 550.1752 shall use at least 50 percent of such permitholder's cardroom monthly net proceeds as follows: 47 percent to supplement purses and 3 percent to supplement breeders' awards during the permitholder's next ensuing racing meet.
- 3. No cardroom license or renewal thereof shall be issued to an applicant holding a permit under chapter 550 to conduct pari-mutuel wagering meets of quarter horse racing unless the applicant has on file with the division a binding written agreement between the applicant and the Florida Quarter Horse Racing Association or the association representing a majority of the horse owners and trainers at the applicant's eligible facility, governing the payment of purses on live quarter horse races conducted at the licensee's pari-mutuel facility. The agreement governing purses may direct the payment of such purses from revenues generated by any wagering or gaming the applicant is authorized to conduct under Florida law. All purses shall be subject to the terms of chapter 550.

Page 118 of 122

PCS for HB 7109

One-quarter of the moneys deposited into the Parimutuel Wagering Trust Fund pursuant to paragraph (g) shall, by October 1 of each year, be distributed to the local government that approved the cardroom under subsection (17) $\frac{(16)}{}$; however, if two or more pari-mutuel racetracks are located within the same incorporated municipality, the cardroom funds shall be distributed to the municipality. If a pari-mutuel facility is situated in such a manner that it is located in more than one county, the site of the cardroom facility shall determine the location for purposes of disbursement of tax revenues under this paragraph. The division shall, by September 1 of each year, determine: the amount of taxes deposited into the Pari-mutuel Wagering Trust Fund pursuant to this section from each cardroom licensee; the location by county of each cardroom; whether the cardroom is located in the unincorporated area of the county or within an incorporated municipality; and, the total amount to be distributed to each eligible county and municipality.

(17) (16) LOCAL GOVERNMENT APPROVAL.—The Division of Parimutuel Wagering may shall not issue any initial license under this section except upon proof in such form as the division may prescribe that the local government where the applicant for such license desires to conduct cardroom gaming has voted to approve such activity by a majority vote of the governing body of the municipality or the governing body of the county if the facility is not located in a municipality.

(18) (17) CHANGE OF LOCATION; REFERENDUM. -

Page 119 of 122

PCS for HB 7109

3069

3070

3071

3072

3073

3074

3075

3076

3077

3078

3079

3080

3081

3082

3083

3084

3085

3086

3087

3088

3089

3090

3091

3092

3093

3094

(a) Notwithstanding any provisions of this section, <u>a</u> no cardroom gaming license issued under this section <u>may not shall</u> be transferred, or reissued when such reissuance is in the nature of a transfer, so as to permit or authorize a licensee to change the location of the cardroom, except that a permitholder that relocated pursuant to ss. 550.0555(2)(a), 550.0555(2)(b), or 550.3345 is entitled to a cardroom license at the new location. except upon proof in such form as the division may prescribe that a referendum election has been held:

1. If the proposed new location is within the same county as the already licensed location, in the county where the licensee desires to conduct cardroom gaming and that a majority of the electors voting on the question in such election voted in favor of the transfer of such license. However, the division shall transfer, without requirement of a referendum election, the cardroom license of any permitholder that relocated its permit pursuant to s. 550.0555.

2. If the proposed new location is not within the same county as the already licensed location, in the county where the licensee desires to conduct cardroom gaming and that a majority of the electors voting on that question in each such election voted in favor of the transfer of such license.

(b) The expense of each referendum held under the provisions of this subsection shall be borne by the licensee requesting the transfer.

Section 48. The Division of Pari-mutuel Wagering of the

Page 120 of 122

PCS for HB 7109

Department of Business and Professional Regulation shall revoke any permit to conduct pari-mutuel wagering if a permitholder has not conducted live events within the 24 months immediately preceding the effective date of this act, unless the permit was issued under s. 551.1041, Florida Statutes, or unless the permit was issued on or after July 1, 2015. A permit revoked under this section may not be reissued.

Section 49. If any provision of this act or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

Section 50. For the 2016-2017 fiscal year, the sum of \$150,000 in recurring funds from the Pari-Mutuel Wagering Trust Fund is appropriated to the Department of Business and Professional Regulation, and the associated salary rate of 45,000 is authorized, for the purpose of implementing the state oversight responsibilities of this act.

Section 51. Except for the amendments to ss. 285.710(1) and 285.710(3), Florida Statutes, the amendments made to chapters 285, 546, 550, 551, and 849, Florida Statutes, by this act are contingent upon the December 7, 2015, Gaming Compact becoming effective pursuant to s. 285.710(3)(c), Florida Statutes, as amended by this act, and shall not take effect if such Gaming Compact does not become effective. The amendments to

Page 121 of 122

PCS for HB 7109

3147	S	s.	285	5.710	(1) a	nd 2	85.710(3)	,	Florida	Statutes,	shall	take
3148	е	ff∈	ect	upon	this	act	becoming	r a	law.			

Section 52. Except as otherwise expressly provided in this act, this act shall take effect July 1, 2016, or upon approval by the United States Department of the Interior of the December 7, 2015, Gaming Compact ratified pursuant to s. 285.710, Florida Statutes, as amended by this act, whichever occurs later.

Page 122 of 122

PCS for HB 7109

3149

3150

3151

3152

3153